

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, February 8th, at 11:00 o'clock.

PRESENT: Vice Governor Platt
 Mr. Hamlin
 Mr. Miller
 Mr. Mitchell
 Mr. Crissinger
 Mr. Hoxton, Secretary

Minutes of the meeting of the Federal Reserve Board held on February 7th were read and on motion approved.

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business February 6th.

Copy of telegram dated February 7th, addressed to the Federal Reserve Agent at San Francisco, by the Vice Governor advising that the Board feels that certain references to a secondary reserve appearing in the text of Mr. Perrin's 1922 Annual report are inadvisable.

Approved. Referred to the Vice Governor for further reply, it being the sense of the Board that Mr. Perrin should be directed to strike from the Annual Report all reference to a Federal Reserve bank secondary reserve.

Copy of telegram dated February 7th, addressed by the Vice Governor to the Federal Reserve Agent at Chicago, containing suggestions as to the amendment of certain portions of Mr. Heath's Annual Report of 1922.

Approved.

Telegram dated February 7th, from the Chairman of the Federal Reserve Bank of St. Louis, asking if it will be convenient for a representative of that bank and the architect of the bank to present building plans to the Federal Reserve Board on Monday, February 12th.

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Upon motion, the Secretary was instructed to advise Mr. Martin that the Board will meet the representative of the Federal Reserve Bank of St. Louis and the architect at 11:00 a.m., February 12th.

Letter dated February 2nd, from the Federal Reserve Agent at San Francisco, advising of the withdrawal of the application of the Pacific Southwest Trust and Savings Bank of Los Angeles, to establish a branch office in the vicinity of Tenth Street and Norton Avenue, Los Angeles, it being noted that the establishment of this branch office was approved by the Board under date of October 17th, it being one of the twenty-five agencies to the establishment of which the Board has previously given its blanket approval.

Noted.

Letter dated February 6th, from the Federal Reserve Agent at Boston, transmitting, with favorable recommendation, the application of the International Trust Company at Boston for permission to accept drafts drawn for the purpose of furnishing dollar exchange in accordance with the Board's Regulation "C", Series of 1920.

Approved.

Letter dated February 1st, from Mr. J. H. Case, Deputy Governor of the Federal Reserve Bank of New York, advising of that Bank's desire to open an account for the Sveriges Riksbank, Stockholm, Sweden, and to make investments for them in the same manner as the Federal Reserve Bank of New York does for other foreign central banks, it being noted that the Federal Reserve Bank of New York had not up to this time opened an account with the Sveriges Riksbank, although the Federal Reserve Board on September 5, 1918, approved the application for authority to do so.

Approved.

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Letter dated February 7th, from Honorable George P. McLean, Chairman of the Senate Committee on Banking and Currency, enclosing a copy of Senate Bill 4486, introduced by Senator Robinson, requesting the views of the Federal Reserve Board with regard to the same.

Referred to the Law Committee.

Mr. Mitchell read to the Board a personal letter which he had addressed to the Chairman of the House Committee on Banking and Currency, with respect to that provision in the Lenroot-Anderson bill which authorizes Federal Reserve banks under certain conditions to pay to their stockholders, a dividend in excess of the 6% now permitted by the Federal Reserve Act.

Thereupon, the Board proceeded under the action taken yesterday, to reconsider the Board's letter of December 21, 1922, which was sent to the Chairman of the Senate Committee on Banking and Currency, approving in principle the so-called Lenroot-Anderson and the Capper bills, in so far as the said approval in principle related to the feature which under certain conditions, would permit Federal Reserve banks to pay dividends to stockholders in excess of the 6% now provided for in the Federal Reserve Act.

After full discussion, Mr. Miller moved that the Board reverse its approval in principle of the provision in the two bills referred to as set forth in the Board's letter of December 21, 1922. Mr. Miller's motion was lost; Mr. Mitchell and Mr. Miller voting "aye", Mr. Platt, Mr. Hamlin and Mr. Crissinger voting "no".

Mr. Hamlin then moved that the Vice Governor be requested to draft a letter to the Chairman of the House Committee on Banking and Currency, advising that the Board desires to withdraw, for further consideration, its approval in principle of the extra dividend provision appearing in the letter of December 21, 1922, transmitted to the Chairman of the Senate Committee on Banking and Currency, with the further advice that upon this subject the opinion of the members of the Federal Reserve Board is divided.

Carried.

Mr. Mitchell reporting for the Committee on Salaries and Charge Offs, submitted a letter of February 1st, from the Chairman of the Federal Reserve Bank of San Francisco, transmitting the request of the Board of

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Directors of that Bank, that the Federal Reserve Board reconsider action taken by it on January 2nd, whereby the Board disapproved recommendations for increases in the salaries of Governor Calkins, Deputy Governor Day, Assistant Federal Reserve Agent Breck and the auditor of the Salt Lake City Branch.

Upon motion, the Board voted to reconsider its action taken January 2nd, with respect to the salaries referred to.

Upon motion, the Board authorized that the salary of Governor John U. Calkins be increased from \$24,000 to \$25,000, effective January 1, 1923, Mr. Mitchell voting "no".

Upon motion, the Board voted to reaffirm its former action in disapproving an increase in the salary of Deputy Governor Day, it being the sense of the Board that the salary of \$15,000 now being paid to Mr. Day is in line with salaries paid for corresponding positions in other Federal Reserve banks of similar size.

Upon motion, the Board voted to reaffirm its former action in disapproving an increase in the salary of Assistant Federal Reserve Agent Henry C. Breck, it being the sense of the Board that the salary of \$6,000 for Mr. Breck is as much as this position should command in view of the fact that the other Assistant Federal Reserve Agent is paid a salary of \$12,000

Upon motion, the Board voted to approve the recommendation of the Board of Directors of the Federal Reserve Bank of San Francisco that the salary of Mr. E. W. Morton, Assistant Auditor of the Salt Lake City Branch be increased to \$3600, although expressing to Mr. Ferrin the opinion of the Board that the salary of an auditor in a Branch should not exceed \$3500.

The meeting adjourned at one o'clock.

Approved.

Edmund Platt
Vice Governor.

D. W. Aberton
Secretary.