

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, March 8th, at 11:20 a.m.

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

Minutes of the meeting of the Federal Reserve Board held on March 6th were read and on motion approved.

Minutes of the meeting of the Executive Committee of the Federal Reserve Board held on March 7th were read and upon motion, the action recorded therein was ratified.

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

Letter dated March 1st from the Chairman of the Federal Reserve Bank of San Francisco, submitting for the approval of the Federal Reserve Board, a proposed change in the By-Laws of the branches of the Federal Reserve Bank of San Francisco, said amendment eliminating Section #1 from Article V, said Section having reference to the legal counsel of the branches.

Referred to the Law Committee.

The Vice Governor submitted to the Board a telegram dated March 7th, from the Chairman of the Federal Reserve Bank of San Francisco, stating reasons why, in his opinion, the Federal Reserve Board should not take up at the next Conference of Governors, the question of reserve requirements against special savings deposits.

Noted.

Proposed circular letter dated March 9th, addressed to all Federal Reserve Agents, advising that the Federal Reserve Board has adopted the

3/8/23

principle that hereafter all examinations of member state banks and trust companies shall be conducted simultaneously, both as to the parent bank and each branch.

Approved. Ordered mimeographed and transmitted.

Draft of circular letter dated March 9th, addressed to the Governors of all Federal Reserve banks transmitting letter of March 3rd sent to the Senate of the United States in reply to Senate Resolution #351.

Approved. Ordered mimeographed and transmitted.

Letter dated February 28th, from Messrs. Shearman and Sterling, Attorneys, transmitting for the approval of the Federal Reserve Board, the application of the National City Bank of New York for an order permitting the bank to open a sub-branch agency or office of its Cuban branch in the Lonja District of Havana, Cuba.

Approved and referred to the Vice Governor with power to execute the following order:

"The National City Bank of New York having, on or about February 28, 1923, filed an application with this Board for the purpose of obtaining authority to establish a sub-branch, agency or office of its Cuban Branch in the Lonja District of the City of Havana, in the Republic of Cuba, and the said application having been considered; and it appearing that the said application is properly made under the laws of the United States of America and should be granted, Now, therefore, it is

ORDERED, that the said application be and it hereby is approved, and that the said Bank be and it hereby is authorized to establish a sub-branch, agency or office of its Cuban Branch in the Lonja District of the City of Havana, in the Republic of Cuba."

Memorandum dated March 2nd, from the Comptroller of the Currency, transmitting with favorable recommendation, the application of the First National Bank of Chesaning, Michigan to reduce its capital stock from \$50,000 to \$30,000.

Approved.

3/8/23

-3-

Letter dated March 7th, addressed to the Governor of the Federal Reserve Bank of New York by the Acting Governor of the Board, suggesting an addition of three topics to the tentative program of topics to be discussed at the Conference of the Governors of the Federal Reserve Banks, to be held March 26th, 1923.

Approved and ordered transmitted.

Letter dated March 2nd, from the Chairman of the Federal Reserve Bank of San Francisco, subject, "Simultaneous examinations of Head Offices and Branches", in reply to the Board's telegram of February 24th.

Ordered circulated. Mr. Miller suggested that Mr. Perrin should be advised that the Board will expect that Governor Calkins, at the time of the next Conference of Federal Reserve Bank Governors on March 26th, will take up with the Board all of those questions which have been the subject of prolonged correspondence between the Federal Reserve Board and the Federal Reserve Bank of San Francisco.

The Vice Governor submitted the Report of the last examination of the Federal Reserve Bank of New York, as of close of business January 3, 1923.

Ordered circulated.

Letter dated March 2nd, from the Chairman of the Federal Reserve Bank of San Francisco, recommending that the Board do not make the requirement that action shall be taken looking to the cancellation of membership of the San Fernando Savings Bank, in view of the fact that that Bank had unintentionally violated one of the Board's conditions of membership by establishing a branch at Newhall.

Upon motion, Mr. Perrin's recommendation in this matter was approved.

Memorandum dated March 8th, addressed to Mr. Hamlin by General Counsel, with reference to the salaries of Counsel at the several Federal Reserve banks and with especial reference to the compensation of Counsel at the Federal Reserve

3/8/23

Bank of Atlanta.

Referred to the Committee on Salaries and Charge
Offs.

The Vice Governor submitted draft of a proposed letter addressed to the Chairman of all Federal Reserve banks, expressing the opinion of the Board that the Federal Reserve banks should not reinvest in Government securities, those funds which will be realized through the maturity of Treasury Certificates of Indebtedness, due March 15, 1923.

Approved, after certain amendments proposed by Mr. Hamlin and Mr. Miller were agreed upon.

Mr. Miller stated his opinion that the Board should definitely formulate a policy with respect to the open market purchases of Government securities by Federal Reserve banks and stated his belief that such investments should be made primarily with regard to the general credit situation.

Mr. Hamlin moved that Mr. Miller be requested to prepare memorandum covering the open market purchase of United States securities by the Federal Reserve banks, for submission to the Federal Reserve Board on Thursday, March 15th, and that on that date the matter be docketed as special order business.

Carried.

REPORTS OF COMMITTEE NO. 1

Dated March 8th, Recommending disapproval of the application of Mr. John J. Raskob, to serve at same time as director of the Seaboard National Bank, New York City and of the Chatham and Phenix National Bank, New York City.

Approved.

Dated March 8th, Recommending approval of the application of Mr. George M. Clark, to serve at same time as director of the Second National Bank, New Albany, Indiana and of the National Bank of Kentucky, Louisville, Kentucky.

Approved.

Dated March 8th, Recommending approval of the application of Mr. Jackson Johnson, to serve at the same time as director of the First National Bank, St. Louis, Missouri and of the St. Louis Union Trust Company, St. Louis, Missouri.

Approved.

3/8/23

-5-

REPORTS OF COMMITTEE NO. 1 (Cont'd)

Dated March 8th, Recommending approval of the application of Mr. W. C. Arthurs, to serve at the same time as director of the First National Bank, St. Louis, Missouri, and of the Third National Bank of Mt. Vernon, Indiana.

Approved.

Dated March 8th, Recommending approval of the application of Mr. Edmund D. Rheem, to serve at the same time as director of the Federal American National Bank, Washington, D. C. and of the National Savings & Trust Company, Washington, D. C.

Approved.

The meeting adjourned at one o'clock.

D. W. Houston
Secretary.

Approved:

Edmund Platt
Vice Governor.