

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-3678

March 28, 1923.

SUBJECT: Economy and Efficiency.

Dear Sir:

In accordance with the Committee's letters of February 13, X-3634 and X-3635, it is understood that you, as chairman of your group representing the _____ function, have now received in satisfactory shape the questionnaire and other data from the banks in your group with respect to this function. You are now requested to communicate directly with the representatives of the other banks in your group and to arrange with them for the holding of a group conference which should be held at the most centrally located bank in your group, and if possible prior to April 15.

It is requested that at this conference the representatives of the banks make a careful study and comparison of the methods of all of the banks in the group. Each group is asked to submit through its chairman a report indicating briefly the principal differences in the methods being followed by the several banks, and in the case of methods showing a market difference in expense, either more or less than the average, to state briefly the reason for the variations. While it is appreciated that the methods of the several banks will differ materially, it is believed that a study and comparison of these methods will prove of substantial practical value. It is expected that as a result of these conferences, the methods of the banks will approach greater uniformity. It should, however, at the same time be understood that primary responsibility for determining its operating methods rests with each bank, and it is not intended that any bank shall adopt operating methods not suited to its conditions, merely for the sake of securing greater uniformity of operation in the reserve system.

Following the conferences of the several groups, a conference of the chairmen of the groups will be called, at which time the chairmen will be expected to present the questionnaires and report with respect to all of the banks in each group, and it is hoped that at that time each chairman will be sufficiently informed with respect to the methods of all the banks in his group, as to make possible a discussion of the detailed methods of all banks in the system.

Will you kindly advise as soon as possible the date selected for your group conference, addressing Mr. L. R. Rounds of the Federal Re-

serve Bank of New York, who I have pleasure in announcing has, with the approval of the Federal Reserve Board, been selected as Secretary of the Committee on Economy and Efficiency to fill the vacancy created by the resignation of Mr. A. H. Vogt from the Federal Reserve Bank of Chicago.

Very truly yours,

A. C. Miller
Chairman, Committee on
Economy and Efficiency

To all Bank Representatives.