A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, March 3, 1921, at 11:15 a.m.

PRESENT: Governor Harding
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. Wills
Mr. Hoxton, Secretary.

PRESENT ALSO:
Mr. Logan, General Counsel.

Minutes of the meeting of the Board held March 2d were read and on motion, approved, as amended.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business March 1st, and the status of rediscounts between the Federal Reserve banks as of the same date.

Governor Harding advised the Board that he had yesterday submitted to Mr. George L. Harrison, Deputy Governor of the Federal Reserve Bank of New York, the various letters addressed by the Comptroller of the Currency to the Federal Reserve Board wherein references were made to the Federal Reserve Bank of New York, and to member banks in New York City, and requested that the officers of the Federal Reserve Bank of New York carefully read the said letters and prepare a statement for the Federal Reserve Board in respect thereto. Governor Harding stated that he had included among the letters delivered to Mr. Harrison the letter regarding the Guaranty Trust Company, written by the Comptroller of the Currency
and filed with the Board yesterday, at which time the Comptroller of the Currency suggested that the letter be filed and not read at the meeting. Governor Harding further stated that he held receipts executed by Mr. Harrison for all letters aforesaid.

Letter dated February 28th, from Mr. Emerson, submitting a copy of a circular which is being sent out by the Pinkerton National Detective Agency to its clients relative to the organization of the Producers & Consumers Cooperative Bank by organized labor.

Letter dated February 28th, from the Consulting Architect, replying to Governor Harding's letter of February 25th, relative to certain patent rights in connection with the recent vault tests, and requesting the Board's authority for the payment of a fee of $382.80 to a patent attorney.

Referred to General Counsel, with the understanding that the fees referred to will be paid if the matter be found to be in proper shape.

With reference to a recent letter received from the Federal Reserve Agent at Chicago, commenting upon the reports received by National bank examiners, Governor Harding was requested to prepare a letter to all Federal Reserve Agents, making inquiry as to the frequency of National Bank examinations, as to their efficiency and sufficiency and as to their value to the several Federal Reserve banks, and inquiring if the several Federal Reserve banks would prefer to have under their control the matter of the examination of
National banks.

Letter dated February 25th, from the Federal Reserve Agent at Boston with relation to the paper of commission houses, and transmitting replies to a questionnaire sent out by the Federal Reserve Bank of Boston.

Mr. Hamlin suggested that the Federal Reserve Bank of New York should be requested to send out a similar questionnaire, and the matter was referred by the Board to Mr. Hamlin.

Mr. Hamlin brought up the matter of the publication of the Index Digest of the Federal Reserve Bulletin, and suggested that 3,000 copies of that work be ordered by the Federal Reserve Board, to be sold at a price of $2.00 each.

Approved.

Letter dated February 28th, from the Chairman of the Board of the Federal Reserve Bank of Kansas City, expressing the approval of the officers and directors of that bank of the policy of applying progressive discount rates, and expressing the disinclination of that bank to discontinue such policy.

Noted.

Letter dated March 1st, from the Director of the Division of Analysis & Research, enclosing a proposed letter to the Chairman of the Board of the Federal Reserve Bank of St. Louis, regarding reports on the acceptance market in that district at the request of the American Acceptance Council.

Referred to Governor Harding with power, it being the sense of the meeting that all such reports should be distributed through one channel, namely, the Division of Analysis & Research.
Letter dated February 25th, from the Governor of the Federal Reserve Bank of Richmond, expressing his views as to the acceptance for discount by Federal Reserve banks of paper of non-member banks offered for discount by member banks.

Referred to Governor Harding for reply.

At this point, 12:15 p.m., Governor Strong, of the Federal Reserve Bank of New York, Governor Morss, of the Federal Reserve Bank of Boston, and Mr. Curtiss, Chairman of the Board of the Federal Reserve Bank of Boston, entered the meeting.

Letter dated February 23d, from Mr. Paul M. Warburg, with reference to the suggestion that the Board rule as eligible for purchase by Federal Reserve banks, bankers acceptances covering import and export transactions having maturities up to six months. Also, with reference to the recent ruling of the Federal Reserve Board requiring the presentation of original shipping documents as a condition precedent to the acceptance of drafts by member banks. Upon invitation of the Board, Governor Strong, Governor Morss and Mr. Curtiss expressed their views upon the matters set forth in Mr. Warburg's letter.

At this point, one o'clock, Governor Strong withdrew from the meeting.

Governor Morss presented to the Board the detailed account of the incidents leading up to and subsequent to the failure of five non-member trust companies in Boston.
REPORTS OF COMMITTEE NO. 1:

Dated March 2nd, recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated Feb. 11th, recommending admission of State institutions as 25th, set forth in the auxiliary minute book as of 26th, this date, subject to the individual reports March 1st, attached to each application.

Approved.

Dated March 3rd, recommending that authority be given to certain National banks to purchase stock in corporations organized under the Federal Act, as set forth in the auxiliary minute book as of this date.

Approved.

Dated March 1st, recommending approval of the application of Mr. W. J. Harahan to serve at the same time as director of the Coal & Iron National Bank of New York City, and as director of the First National Bank of Richmond, Va.

Approved.

Memorandum dated March 2d, recommending the employment of a temporary Telegraph Operator, at a salary of $1.65 per month, from April 1st to August 30th, in order to provide a relief man to permit the regular operators to take their annual two weeks vacation.

Approved.

Letter dated February 14th, from the President of the Indiana National Bank, Indianapolis, Ind., making application in behalf of that bank for permission to purchase 54 additional shares of stock of the American Foreign Banking Corporation.

Approved.

Adjourned at 1:20 p.m., with the understanding that the meeting would reconvene at 3 o'clock this afternoon.
At 3:20 this afternoon the meeting reconvened, with those members present who attended the morning meeting, with the exception of Mr. Platt. Governor Strong was also present.

Governor Strong stated that in accordance with the authority previously granted by the Board, Mr. Morris had been appointed temporary manager of the Credit Department of that bank, at a salary of $9,000 per annum, and that it was the wish of the Federal Reserve Bank of New York to make Mr. Morris permanent manager of the Credit Department, at a salary of $12,000 per annum.

Approved.

Letter dated March 2d, from Mr. Williams, in reply to a question put to him at the meeting yesterday by Mr. Platt, with relation to the examination of National banks in New York City, during last Spring and between January 1st and July 1, 1920.

Ordered filed after acknowledgement by Governor Harding.

At 3:50 p.m. the meeting adjourned.

Approved:

[Signature]

Secretary.

[Signature]

Governor.