

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, April 12, 1921, at 3:30 p.m.

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

PRESENT ALSO:
Governor Morss, of the Federal Reserve Bank of Boston.

Minutes of the meeting of the Board held April 11th were read and on motion approved.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business April 7th, and the status of rediscounts between the Federal Reserve banks as of the same date.

Governor Harding stated that the first order of business would be consideration of the recent action of the Board of Directors of the Federal Reserve Bank of Boston in reducing the rate upon commercial paper for all maturities from 7% to 6%, subject to the review and determination of the Federal Reserve Board. Governor Morss, upon invitation, explained the reasons which moved the Board of Directors of his bank to take action in the matter.

At this point Governor Morss withdrew from the meeting.

Mr. Hamlin moved that the Board approve a rate of 6% upon commercial paper at the Federal Reserve Bank of Boston.

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Mr. Platt moved an amendment that the Board approve a rate of $6\frac{1}{8}\%$, stating his belief that in reducing rates reduction should be made one half of one per cent. at a time. Mr. Miller stated that he concurred in this view and would therefore vote for Mr. Platt's amendment.

Mr. Platt's amendment being put by the Chair, was lost. Mr. Hamlin's original motion was carried.

Mr. Miller moved that the rate upon paper secured by United States Treasury Certificates of Indebtedness at the Federal Reserve Bank of Boston be raised from $5\frac{1}{8}\%$ to 6% .

Carried.

Governor Harding was requested to advise the Federal Reserve Bank of Boston of the action of the Board and to authorize the bank to make the necessary announcement immediately, or later in the week, at the discretion of the Board of Directors, or the Executive Committee of the bank, it being provided that both rate changes are to be announced simultaneously.

Governor Harding stated that he had been advised by the Governor of the Federal Reserve Bank of Richmond that Mr. J. S. Williams has been writing, or showing to various persons in Richmond, letters which have a bearing upon correspondence between Mr. Williams and the Federal Reserve Board, and that Mr. Seay and Mr. Hardy would like to be placed in possession of sufficient information, in order to make authoritative reply to questions which

might arise as a result of Mr. Williams' action.

Upon motion, Governor Harding was requested to ask for a written statement of the case from Governor Seay, or Mr. Hardy, and was authorized, in making reply, to exhibit any documents or records in the files of the Board. It was understood that this authorization applies to all inquiries on this subject which Governor Harding may receive from other Federal Reserve banks.

Governor Harding submitted to the Board the form of report used by the Board in calling for statements from State Member Banks, said form being revised to correspond with the form now authorized by the Comptroller of the Currency for use in calling for statements from National Banks.

Approved.

Letter dated April 8th, from the Director of the Division of Analysis & Research, approving the employment by the Federal Reserve Bank of Dallas of Mr. Rice, at present in the employ of the Division of Analysis & Research.

Upon motion, the employment of Mr. Rice by the Federal Reserve Bank of Dallas, at a salary of \$3,000 per annum, was approved.

Memorandum dated April 11th, from Mr. Herson, recommending approval of the proposals contained in a letter from the Chairman of the Federal Reserve Bank of New York, dated April 6, 1921, covering the payment of extra compensation to the clerks of the Auditing Department of the Federal Reserve Bank of New York for overtime

work.

Approved.

Draft of letter dated April 7th, in reply to letter of April 4th from the Chairman of the Federal Reserve Bank of San Francisco, regarding the application for membership of the Peoples State Bank of Lynden, Washington.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated April 11th, Recommending changes in stock at Federal Reserve 12th, Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 11th, Recommending action on applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 4th, Recommending admission of state institutions, subject to the individual reports attached to the applications, as set forth in the auxiliary minute book as of this date.

Approved.

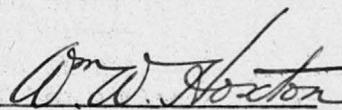
Dated April 11th, Recommending approval of the application of Mr. Telford Lewis to serve at the same time as director of the Citizens National Bank of Hooversville, Pa. and as director of the United States National Bank of Johnstown, Pa.

Approved.

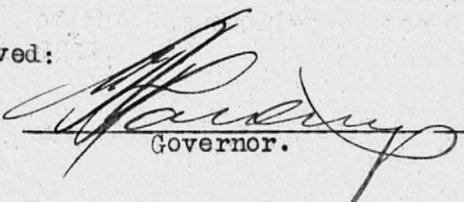
Dated April 11th, Recommending approval of the application of Mr. John W. Lovett to serve at the same time as director of the National City Bank of Indianapolis, Ind. and as director of the Citizens National Bank of Greensburg, Ind.

Approved.

At 4:55 p.m. the meeting adjourned.


Secretary.

Approved:


Governor.