

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, September 27, 1921, at 11:00 a.m.

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

Minutes of the meeting of the Board held September 23d 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 September 24th, and the status of rediscounts between the Federal reserve banks as of the same date.

The Governor reported rediscount transactions, member bank promissory notes secured by Government obligations, rate 6%, as follows:

<u>Date</u>	<u>Bank redis-counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Sept. 26	Richmond	New York	\$10,000,000	11-15 days
Sept. 26	Atlanta	Cleveland	1,500,000	1-90 " (Comm'l.)
Sept. 26	Dallas	Boston	2,000,000	1-90 days (Comm'l.)
			1,000,000	11-15 days

Letter dated September 24th, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Aransas Harbor Terminal Railway for a loan of \$50,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Memorandum dated September 22d, from the Secretary, advising that the minutes of the meeting of the Board on February 26, 1921, ordered written in longhand and placed in the confidential records of the Board, are still segregated from the other minutes, and recommending that these minutes be now placed in their regular order in the minute binder for indexing purposes, and that they, as well as the stenographic records of the meetings of February 28th and March 2d, be now recorded as confidential, only to the extent that other minutes of the Federal Reserve Board are so regarded.

Approved.

Telegram dated September 24th, from the Chairman of the Federal Reserve Bank of Cleveland, advising that the Board of Directors of that Bank had, subject to the review and determination of the Federal Reserve Board, established a minimum rate of 5% on open market purchases of acceptances, said rate having been approved informally yesterday by a majority of the Federal Reserve Board.

Open motion, formally approved.

After discussion of the program to be considered for discussion at the conference of Governors and Federal Reserve Agents, to be held October 25th, it was the sense of the Board that this conference should be mainly devoted to the internal economy and efficiency of the several Federal reserve banks, and the policy which should in future govern the Federal Reserve System in the matter of the par collection of checks. Governor Harding stated that he would prepare in written form the remarks

with which he will open the conference and would in advance submit a copy of the proposed opening remarks to the Federal Reserve Board.

Letter dated September 24th, from the Governor of the Federal Reserve Bank of Kansas City, requesting approval of the Federal Reserve Board for the expenditure of \$100,000 for certain real estate in the city of Denver, to be purchased, with a view to the erection of a building for the Denver Branch.

Approved.

Letter dated September 23d, from the Governor of the Federal Reserve Bank of New York, regarding the matter of an expense account allowed by the Board of Directors of that Bank for Mr. Snyder, in connection with a trip to Europe which Mr. Snyder was authorized to make by the Federal Reserve Bank of New York.

Governor Harding was authorized to send a reply, a copy of which is on file.

Letter dated September 24th, from the Federal Reserve Bank of New York, enclosing, with favorable recommendation, application of the Bank of Manhattan County, New York City, dated September 24, 1921, for permission to accept drafts drawn by banks and bankers in the various countries designated by the Board, for the purpose of creating dollar exchange.

Approved.

Memoranda dated September 24th, and 26th, from the Secretary and the Assistant Counsel of the Board, advising that the bonds of Federal Reserve Agents and Assistant Federal Reserve Agents have been duly checked, and recommending that the Board approve the bonds now covering all Federal

Reserve Agents and Assistant Federal Reserve Agents; also, recommending that those bonds which have been in force for four years or more be renewed.

Upon motion, the Board approved the bonds new covering all Federal Reserve Agents and Assistant Federal Reserve Agents as to the sufficiency of the sureties thereon and the sufficiency of the amounts thereof, and the Secretary and Counsel of the Board were directed to procure renewal bonds for those bonds which have been in force for four years or more.

Letter dated September 20th, from the Assistant Federal Reserve Agent at San Francisco, submitting, with favorable recommendation for the approval of the Federal Reserve Board, the application of the Security Trust and Savings Bank of Los Angeles, California, for permission to establish a branch in that city.

Approved.

Telegram dated September 26th, from the Chairman of the Federal Reserve Bank of Dallas, inquiring what action the Board has taken with reference to a possible attempt by the American Bankers Association conference at Los Angeles to reopen the campaign against the par collection system, and suggesting that the Federal Reserve Bank of Dallas might send a representative to Los Angeles with a view to taking part in the discussions.

Governor Harding was requested to advise Judge Ramsey that the Board does not approve of the Federal Reserve Bank of Dallas taking any part in the matter.

Draft of letter prepared for the signature of Governor Harding, addressed to Mr. Wade H. Cooper, President of the Continental Trust Company of Washington, D. C., advising Mr. Cooper that he is in violation of

the provisions of Section 8 of the Clayton Anti-Trust Act, and that unless he resigns immediately from either the Continental Trust Company or the Union Savings Bank, both of Washington, D. C., in order to terminate his violation of the Clayton Act, on or before October 3, 1921, the Federal Reserve Board will immediately institute formal proceedings to enforce the law.

Approved.

Memorandum dated September 27th, from the office of the General Counsel, with reference to an amendment to the contract between the Federal Reserve Bank of Dallas and R. M. Johnson, Receiver of the First National Bank of Hearne, Texas.

Upon motion, the following resolution was unanimously adopted:

WHEREAS a contract of agreement by and between the FEDERAL RESERVE BANK OF DALLAS, TEXAS, party of the first part and R.M. JOHNSON, as Receiver of the First National Bank of Hearne, Texas, party of the second part, has been prepared for execution by said parties for the purpose, among other things, of settling the differences which have heretofore arisen between said party of the first part and the First National Bank of Hearne; and of compromising the claims of said party of the first part against the said First National Bank of Hearne, arising out of monies due the former from the latter on account of bills payable to and paper rediscounted by the former; and of dismissing the suit now pending in the United States District Court for the Western District of Texas, in which R.M. Johnson, as Receiver of the First National Bank of Hearne, Texas, is plaintiff, and the Federal Reserve Bank of Dallas, Texas, is defendant; and for other purposes, and

WHEREAS said contract of agreement provides that it shall not become effective unless and until it is approved by the Comptroller of the Currency and the Federal Reserve Board, and

WHEREAS, the Federal Reserve Board has examined said contract of agreement and has caused it to be examined by its counsel and is satisfied from such examination that it is in proper legal form and that the Federal Reserve Bank of Dallas, Texas, has authority to execute such contract, and

WHEREAS the Federal Reserve Board does not undertake to pass upon said contract with respect to the desirability of its execution from the standpoint of the parties thereto, or with respect to other questions of policy or of financial advantage involved therein, but intends by this resolution to limit its approval specifically to questions of the legality of the contract and of the authority of the Federal Reserve Bank of Dallas, Texas, to execute said contract.

NOW THEREFORE, BE IT RESOLVED, that the Federal Reserve Board hereby approves the contract of agreement to be executed by and between the Federal Reserve Bank of Dallas, Texas, and R.M. Johnson, as Receiver of the First National Bank of Hearne, Texas, with respect to its legality and the authority of the said Federal Reserve Bank of Dallas to execute it, and

BE IT FURTHER RESOLVED that a true copy of this resolution be annexed to said contract.

Letter dated September 22d, from Miss Elsie Rackstraw, tendering her resignation as Assistant Librarian of the Federal Reserve Board, to take effect September 26, 1921.

Approved.

Letter dated September 21st, from the Chairman of the Auditors' Executive Committee of the Federal Reserve Bank of Chicago, Mr. F. R. Burgess, requesting the approval of the Federal Reserve Board for an annual meeting of the Auditors of the Federal reserve banks to be held this year on October 11, 1921, at Washington.

Upon motion, the Secretary was instructed to advise Mr. Burgess that the Federal Reserve Board desires the meeting of Auditors to be postponed until February, 1922.

Draft of telegram dated September 27th, prepared by General Counsel for the signature of Governor Harding and addressed to the Chairman of the Federal Reserve Bank of San Francisco, setting forth the opinion of the Federal Reserve Board regarding the procedure to be followed in the release of securities by the trust departments of liquidating National Banks.

Approved.

Letter dated September 22d, from the Comptroller of the Currency, recommending an increase in the salary of National Bank Examiner A. B. McCans from \$3000 to \$3600 per annum, effective October 1, 1921.

Approved.

Letter dated September 24th, from the Comptroller of the Currency, requesting approval of a salary of \$3600 per annum to be paid to Mr. Timothy J. Harrington, National Bank Examiner in the Second Federal Reserve District.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated Sept. 23d, Recommending approval of the application of Mr. Robert N. Harper to serve at the same time as president of the District National Bank of Washington, D.C. and as director of the Peoples National Bank of Leesburg, Va.

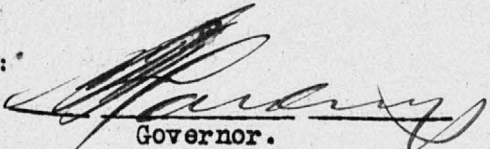
Approved.

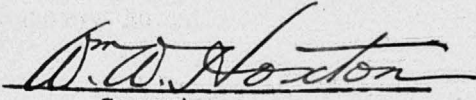
Dated April 11th, Recommending that the application of Mr. Marvin A. Neeland to serve at the same time as director of the Bank of North America, Phila. and as director of the First National Bank of Camden, N.J., be held pending action by Congress.

Upon motion, the application was approved.

At 1:20 p.m. the meeting adjourned.

Approved:


Governor.


Secretary.