

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, October 6, 1921, at 11:15 a.m.

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

Minutes of the meeting of the Board held October 5th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business October 4th, 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 rediscounting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Oct. 5th	Richmond	New York	\$10,000,000	11-15 days

Telegram dated October 5th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the appointment of Mr. C. J. Decker as Assistant Examiner.

Approved.

Telegram dated October 5th, from the Chairman of the Federal Reserve Bank of St. Louis, 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 4% for open market purchases of bankers' acceptances.

Approved.

Letter dated October 4th, from the Secretary of the Treasury, suggesting that the matter of placing gold certificates into circulation be brought before the forthcoming conference between the Federal Reserve Board and the Governors and Chairmen of the Federal reserve banks.

Letter dated October 4th, from the Under Secretary of the Treasury, suggesting that the matter of payments over the counter of United States currency by the Federal reserve banks be brought before the forthcoming conference between the Federal Reserve Board and the Governors and Chairmen of the Federal reserve banks.

Upon motion, it was determined that the matters referred to by the Secretary of the Treasury and the Under Secretary of the Treasury be brought before the forthcoming conference, that the several Federal reserve banks be notified of the additional topics for the program, and that the matter be referred for consideration and report to the special committee appointed yesterday, composed of Messrs. Platt, Miller and Mitchell.

Letter dated September 29th, from the Chairman of the Federal Reserve Bank of San Francisco, with reference to the establishment of branches by the Bank of Italy, and setting forth Mr. Perrin's opinion as to the policy which should be pursued with respect to the establishment of branches by member banks in the Twelfth Federal Reserve District.

Noted. It was the sense of the meeting that Mr. Perrin's conclusions as to the proper policy to be followed are correct.

Letter dated September 30th, from the Chairman of the Federal Reserve Bank of San Francisco, transmitting an application received from the Security Trust and Savings Bank, Los Angeles, California, asking for

approval of the merger of the Security Trust and Savings Bank, Los Angeles, the Guaranty Trust & Savings Bank, Los Angeles, and the Long Beach Trust and Savings Bank, Long Beach, California. Also, approval of the absorption by the Guaranty Trust and Savings Bank and the operation by that Bank as branches of the First National Bank of Huntington Beach, California and the National Bank and Trust Company of Pasadena, California.

Upon motion, and in accordance with the recommendation of Mr. Perrin, the Board approved the merger of the three banks named, and also the absorption and operation as a branch by the Guaranty Trust and Savings Bank of the First National Bank of Huntington Beach, California.

Governor Harding was requested to advise Mr. Perrin that the Board will make a like approval for similar conversion and operation of the National Bank and Trust Co. of Pasadena, provided such action shall be recommended by the Federal Reserve Agent at San Francisco.

Governor Harding submitted a telegram from the Governor of the Federal Reserve Bank of Kansas City, extending to him and other members of the Board an invitation to be present and to make an address upon the occasion of the opening of the new bank building of the Federal Reserve Bank of Kansas City on November 16th next.

Upon motion, Governor Harding was requested to accept the invitation of the Federal Reserve Bank of Kansas City, and Mr. Mitchell was requested, if possible, to make the plans for his Dallas trip with a view to joining Governor Harding in Kansas City upon the occasion referred to.

Letter dated October 5th, from Hon. Sidney Anderson, Chairman of the Joint Commission on Agricultural Inquiry of the United States Congress, in reply to a letter dated September 19th, addressed to him in behalf of the Federal Reserve Board, and having reference to certain

language used in a speech delivered by Hon. J. Thomas Heflin in the United States Senate on August 15th.

Noted.

Governor Harding stated that the next thing in order would be the matter of an opinion by the Federal Reserve Board deciding the question as to whether the paper of Fruit Growers Cooperative Associations should be classed as commercial paper or as agricultural paper.

Upon motion, it was voted that such paper should be classed as commercial paper. Mr. Miller voted "no".

Mr. Mitchell stated that the Board at its meeting October 5th had referred to a committee consisting of Mr. Platt, Mr. Miller and himself the matter of the desirability of making a change in the practice of publishing reserve percentages against Federal reserve notes after setting aside 35% against deposits, and that the committee recommended that the matter be included among the special topics for presentation to the forthcoming conference between the Federal Reserve Board and the Governors and Chairmen of the Federal reserve banks.

Upon motion, it was so ordered.

Mr. Mitchell stated that he was ready to report upon the letter of the Governor of the Federal Reserve Bank of New York, dated September 28th, which was referred to him by the Board at its meeting of October 4th, having reference to the reporting to the Federal Reserve Board of the rates of interest charged by member banks against their customers upon paper offered for discount. Mr. Mitchell stated that Governor Strong was of the opinion that sufficient information was furnished by the Federal Reserve

Bank of New York in giving the interest rates charged by certain of the larger member banks, but that he was of the opinion that Governor Strong should be advised that the Board is glad to receive the information which is now being given by the Federal Reserve Bank of New York in this matter, but would request the Federal Reserve Bank of New York to also supply the information called for in Circular No. X-3207 in the case of all paper offered for discount.

Upon motion, Mr. Mitchell's recommendation was adopted.

REPORTS OF COMMITTEE NO. 1:

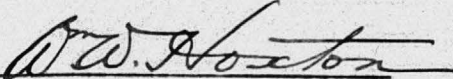
Dated October 5th, Recommending changes in stock at Federal reserve banks, as set forth in the auxiliary minute book as of this date.

Approved.

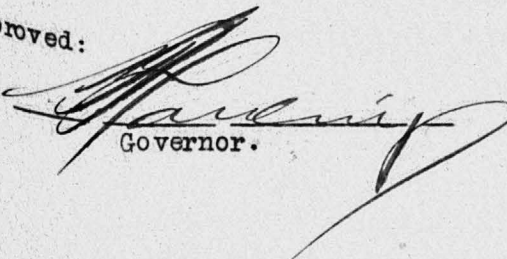
Dated October 5th, Recommending action on application for admission of state institutions, subject to the conditions stated in the individual reports attached to the applications, as set forth in the auxiliary minute book as of this date.

Approved.

At 1:10 p.m. the meeting adjourned.


Secretary.

Approved:


Governor.