

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

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

Minutes of the two meetings of the Board held October 6th and 7th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business October 7th and 8th, and the status of rediscounts between the Federal reserve banks as of the same dates.

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

<u>Date</u>	<u>Bank redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Oct. 10	Atlanta	Boston	\$ 500,000	1-90 (Com'l.)
Oct. 10	Richmond	New York	5,000,000	11-15 days
Oct. 10	Dallas	Boston	1,000,000	do

Letter dated October 3d, from the Chairman of the Federal Reserve Bank of San Francisco, advising of the appointment of Mr. E. S. Jernegan to the Discount Department of that Bank, at a salary of \$5,000 per annum.

Upon motion, the salary recommended for Mr. Jernegan was approved.

Letter dated October 8th, from the Chairman of the Federal Reserve Bank of Atlanta, submitting clerical transfers and changes in salaries at the New Orleans Branch.

Approved.

Letter dated October 7th, from the Director of the Division of Analysis & Research, requesting the Board to authorize the expenditure of \$1,000 for the purpose of securing data through the commercial attaches of the United States at Berlin, Rome and Paris.

Upon motion, it was voted that the Board approve an appropriation of \$1,000 to be used in collecting the required data at Berlin, Rome and Paris.

Memorandum dated October 7th, from the Director of the Division of Analysis & Research, requesting authority to expend \$350. for the purchase of an additional calculating machine to be used by that Division.

Approved.

Letter dated October 11th, from the Railway Loan Advisory Committee of the Federal Reserve Board, requesting the Board's approval of the form of obligation submitted by the Carolina, Clinchfield and Ohio Railway for a loan of \$1,000,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Draft of letter dated October 10th, prepared for the signature of Governor Harding and addressed to Mr. Robert Neill, Vice President of the First National Bank of Hot Springs, Arkansas, with reference to the voting by the officers of national banks which have been authorized to exercise fiduciary powers of shares of stock of the bank which are held by the bank as trustee under its fiduciary powers.

Approved and ordered transmitted.

Mr. Hamlin submitted with favorable recommendation a memorandum dated October 11th, from Mr. Wyatt, recommending that the Board address to all national banks which have obtained permits to act in fiduciary capacities a uniform questionnaire designed to elicit information as to the degree of success which national banks are attaining in the operation of their trust departments and as to the nature of the difficulties which they are encountering.

Approved; it being voted, however, that the questionnaires should be sent to the Federal Reserve Agents and by them transmitted to the national banks concerned, with a view to securing through that medium the information desired by the Federal Reserve Board.

Telegram dated October 7th, from the Assistant Federal Reserve Agent at 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  $4\frac{1}{2}\%$  for open market purchases of bankers acceptances.

Approved.

Governor Harding stated that he had been advised that the Board of Directors of the Federal Reserve Bank of Atlanta desired to establish a minimum rate of 5% for open market purchases of bankers acceptances.

Upon motion, the Secretary was instructed to advise the Chairman of the Federal Reserve Bank of Atlanta that the Board authorizes the establishment of the said minimum rate of 5% for the open market purchase of bankers acceptances.



Telegram dated October 11th, from the Secretary of the Federal Reserve Bank of Chicago, advising that the Executive Committee of that Bank had voted to establish, subject to the review and determination of the Federal Reserve Board, a minimum rate of 4% for open market purchases of bankers acceptances.

Approved.

Mr. Miller reported to the Board an informal conversation he had had with the Secretary of Commerce regarding the desirability of securing a more extensive cooperation between the Department of Commerce and the Federal Reserve Board in the matter of the compilation and publication of statistical information.

Upon motion, referred to Messrs. Platt and Miller for further information.

Draft of letter dated October 10th, prepared by Governor Harding and addressed to the Chairman of the Congressional Joint Commission of Agricultural Inquiry, said letter being in the nature of supplementary testimony by the Federal Reserve Board, replying to charges which have been made that certain salaries at the Federal Reserve Bank of New York are improper and excessive.

Approved and ordered transmitted. Mr. Miller stated that while he thought the letter a fair statement of the Board's opinion, he preferred to be recorded as not voting, in view of his recorded opposition to increases in certain salaries at Federal reserve banks.

Letter dated October 8th, from the Under Secretary of the Treasury, suggesting certain additional topics relating to currency matters for the program to come before the forthcoming joint conference between

the Federal Reserve Board and the Governors and Chairmen of the Federal reserve banks.

Upon motion, it was voted that a copy of Mr. Gilbert's letter be sent to all Governors and Federal Reserve Agents.

Letter dated October 7th, from the Director of the Division of Analysis & Research, setting forth the work done in behalf of the Division by Prof. H. Michell of Canada, Prof. Ricardo Bachi of Italy and Prof. Gustav Cassel of Sweden, and recommending that Prof. Michell be compensated by the Federal Reserve Board in the amount of \$1,000, and that Professors Bachi and Cassel be compensated in the amount of \$100. each.

Upon motion, approved, with the exception that the compensation allowed Prof. Michell shall be \$750. in lieu of \$1,000.

Telegram dated October 7th, from the Chairman of the Federal Reserve Bank of San Francisco, recommending that the Guaranty Trust Company of Los Angeles be authorized to absorb and operate as a Branch the National Bank & Trust Company of Pasadena, California.

Approved.

Referring to the recent inspection of the Board's minutes by an officer of the Federal Reserve Bank of New York, Mr. Miller stated that he would, at the expiration of seven days, as required by the By-laws of the Federal Reserve Board, offer to amend such By-laws by the insertion of a provision that hereafter no one, other than a member of the Board, or the Secretary, Assistant Secretary and Assistant to the Governor and Counsel, be permitted to inspect any of the Board's minutes, except on vote of the Board.

REPORTS OF COMMITTEE NO. 1:

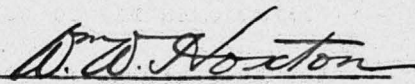
Dated October 8th, Recommending changes in stock at Federal reserve banks, as set forth in the auxiliary minute book as of this date.

Approved.

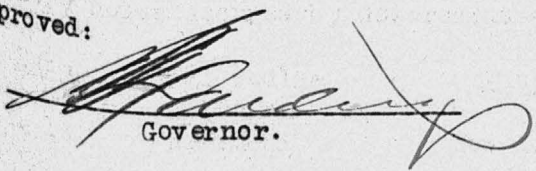
Dated October 8th, Recommending approval of application for admission of state institutions, subject to the conditions stated in the individual report attached to the application, as set forth in the auxiliary minute book as of this date.

Approved.

At 12:30 p.m. the meeting adjourned.

  
Secretary.

Approved:

  
Governor.