

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, November 1, 1921, at 4:00 p.m.

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

Minutes of the two meetings of the Board held October 26th and 31st were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business October 25th, 26th, 28th and 29th, 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 rediscounting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Oct. 26	Richmond	New York	\$10,000,000	7-15 days
Oct. 26	Dallas	Boston	2,500,000	11-15 "
Oct. 26	Minneapolis	New York	1,000,000	1-15 "
Oct. 28	Richmond	New York	5,000,000	7-15 "
Oct. 28	Dallas	Boston	500,000	1-90 "(Coml)
			1,500,000	11-15 "

Letter dated November 1st, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Western Maryland Railway Company for a loan of \$1,000,000, in six parts, the carrier electing at this time to take over the second part of the loan in the amount of \$200,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Letter dated October 31st, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the New York, New Haven and Hartford Railroad Company for a loan of \$9,630,000, in two parts, the carrier electing at this time to take over the first instalment of the second part of the loan, in the amount of \$400,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved; Mr. Hamlin not voting.

Letter dated October 28th, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Evansville, Indianapolis and Terre Haute Railway Company for a loan of \$400,000, in eight parts, the carrier electing at this time to take over the third part of the loan, in the amount of \$50,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Draft of letter dated October 27th, prepared by General Counsel for the signature of Governor Harding, addressed to the American Foreign Banking Corporation, and calling attention to a failure on the part of said Corporation to comply with certain requirements of the agreement entered into between said Corporation and the Federal Reserve Board.

Approved.

Letter dated October 25th, from the Assistant Federal Reserve Agent at Atlanta, submitting adjustments in personnel and salaries at the Birmingham and New Orleans Branches.

Approved.

Letter dated October 25th, from the Assistant Federal Reserve Agent at St. Louis, transmitting, with favorable recommendation, application of the Peoples Savings Bank and Trust Company of Pine Bluff, Ark., for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13 of the Federal Reserve Act and Regulation "C", Series 1920, issued by the Federal Reserve Board.

Approved.

Letter dated October 29th, from the Assistant Federal Reserve Agent at Chicago, transmitting, with favorable recommendation, application of the Merchants and Illinois National Bank, Peoria, Ill., for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13 of the Federal Reserve Act and Regulation "C", Series 1920, issued by the Federal Reserve Board.

Approved.

Letter dated October 25th, from the Assistant Federal Reserve Agent at San Francisco, submitting, with favorable recommendation, application of the Valley Bank of Fresno, California, to take over the business of the First National Bank of Reedley, Cal. and to establish a branch at that place.

Formally approved, having been approved by the initials of four members of the Board October 31, 1921.

Two letters dated October 27th, from the Assistant Federal Reserve Agent at Chicago, recommending, on account of location and characteristics as merely neighborhood banks, that the Adams State Bank and the Drexel State Bank, both of Chicago, be designated by the Federal Reserve Board as outlying banks, with a reduced reserve requirement upon demand deposits from 13% to 10%.

Approved.

Memorandum dated November 1st, from the Assistant Secretary of the Board, advising that seven Federal reserve banks and ten branch banks settling through the gold settlement fund, will be closed on Armistice Day, November 11, 1921, and recommending that there be no gold settlement fund clearing on Friday, November 11th, and that all Federal reserve banks and branches be so advised.

Approved.

Mr. Crissinger referred to a letter of Oct. 26th, addressed to him by Governor Harding, and stated that he agreed to the suggestions made by Governor Harding, and that his office would, prior to the issuance of certificates of authority to commence business, require each newly chartered national bank to make that subscription to the capital stock of the Federal Reserve bank of its district, which it is required by law to make.

Upon motion, the Secretary was instructed to supply the Deputy Comptroller, Mr. Fowler, with sufficient stock application forms for this purpose.

Memorandum dated October 25th, from Mr. J. R. Mitchell, advising of the appointment of Miss L. C. Vierling as Stenographer in his office, effective October 27, 1921, at \$1500 per annum, including bonus.

Noted.

Upon motion of Mr. Hamlin, the application of the Riggs National Bank of Washington, D. C. for fiduciary power was not acted upon, but was referred back to Committee No. 1.

Upon recommendation of Committee No. 1, the application for membership in the Federal Reserve System of the Munsey Trust Company of Washington, D. C. was ordered circulated.

Telegram dated November 1st, from the Federal Reserve Bank of Chicago, stating that the Board of Directors of that Bank hold the opinion that the discount rate at that Bank should be reduced from 6% to 5%, provided that the Federal reserve banks adopt the rates suggested for the System at the recent conference between the Federal Reserve Board and the Governors and Chairmen of the Federal reserve banks, but that should these rates not be put into effect by all of the Federal reserve banks, that the rate in the Chicago District should be 5 1/2%.

Noted.

Telegram dated October 31st, from the Federal Reserve Bank of San Francisco, advising that the Board of Directors of that Bank had, subject to the review and determination of the Federal Reserve Board, established a discount rate of 5% for all paper of all maturities, in lieu of 5 1/2% now obtaining.

Approved, effective immediately.

Telegram dated October 31st, from the Federal Reserve Bank of Kansas City, advising that the Board of Directors of that Bank had, subject to the review and determination of the Federal Reserve Board, established a rate of 5%, in lieu of 6% now obtaining, said rate to be effective simultaneous with the adoption of modified rates by the other Federal reserve banks. Mr. Platt moved that the Kansas City rate be made 5 1/2%; motion lost.

It was then, upon motion, voted to approve the 5% rate for the Federal Reserve Bank of Kansas City, said rate to be effective tomorrow. Mr. Platt voted "no".

Governor Harding stated that the Board of Directors of the Federal Reserve Bank of Atlanta had voted to reduce the rate of discount at that Bank from 6% to 5 1/2% upon all classes of paper of all maturities.

Approved; Governor Harding being authorized to make announcement of this action tomorrow. Mr. Platt voted "no".

Draft of letter dated October 27th, prepared by General Counsel for the signature of the Secretary, addressed to the Federal Reserve Agent at Chicago, in reply to the application of the Great Lakes Trust Company of Chicago for the surrender and cancellation of its holdings of stock in the Federal Reserve Bank of Chicago, and expressing the opinion that the Federal Reserve Board cannot at this time legally approve the application, because liquidation of the Trust Company is to take place only upon the happening of a certain contingency.

Approved.

Letter dated October 28th, from the Comptroller of the Currency, recommending that Mrs. Maude M. Halley be retained as money counter in the Division of Redemption, effective as of October 31, 1921.

Approved.

Letter dated October 31st, from the Comptroller of the Currency, recommending approval of a salary of \$4,000 per annum to be paid to Mr. William C. Evans, National Bank Examiner in the Twelfth Federal Reserve District.

Approved.

Letter dated October 28th, from the Comptroller of the Currency, recommending approval of a salary of \$3,000 per annum to be paid to Mr. Alfred Boysen, National Bank Examiner in the Third Federal Reserve District.

Approved.

Letter dated October 31st, from the Comptroller of the Currency, recommending approval of a salary of \$6,000 per annum to be paid to Mr. Joseph M. Logan, National Bank Examiner in the Twelfth Federal Reserve District.

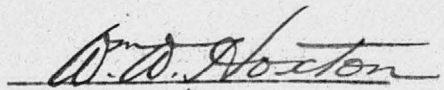
Approved.

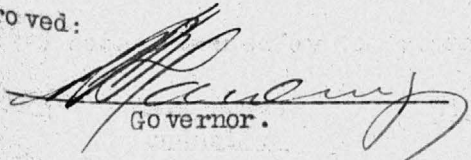
REPORTS OF COMMITTEE NO. 1:

Dated October 29th, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.
Approved.

Dated October 26th, Recommending action on applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.
Approved.

At 5:30 p.m. the meeting adjourned.


Secretary.

Approved:

Governor.