

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, November 16, 1921, at 12:00 a.m.

- PRESENT: Mr. Platt
- Mr. Hamlin
- Mr. Miller
- Mr. Mitchell
- Mr. Hoxton, Secretary

Minutes of the meeting of the Board held November 15th were read and on motion approved.

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business November 14th, and the status of rediscounts between the Federal Reserve banks as of the same date.

Two letters dated November 9th, from the Federal Reserve Agent at San Francisco, transmitting with favorable recommendation, the application of the Bank of Italy to establish a branch at the corner of Eighth Avenue and Irving street, and a branch at the corner of Ninth Avenue and Clement street, San Francisco.

Approved, Mr. Mitchell voting "No". Mr. Mitchell stated that he was unalterably opposed to the granting of authority to the Bank of Italy for the establishment of any additional branches.

Letter dated November 9th, from the Governor of the Federal Reserve Bank of New York, submitting the details of certain contracts in connection with the construction of the new bank building.

Noted.

Letter dated November 16th, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Wheeling & Lake Erie Railway Company for a

loan, in four parts, of \$1,460,000, the carrier electing at this time to take over the first part of the loan amounting to \$260,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Vice Governor Platt submitted to the Board a letter of November 12th from the Deputy Governor of the Federal Reserve Bank of Atlanta, setting forth the position of that bank with regard to the dispute with the Federal Reserve Bank of Boston, upon which matter action was taken by the Federal Reserve Board at its meeting on November 15th.

It was the sense of the meeting, that while this dispute was settled by the Board at its meeting yesterday, with respect to the specific case in question, the Federal Reserve Board should secure an expression of opinion from all of the Federal Reserve banks in the matter of rebating upon inter-bank discounts with a view to securing a uniform practice among the Federal Reserve banks in the matter of rebating as between themselves and as between the Federal Reserve banks and their member banks.

Vice Governor Platt submitted to the Board a telegram from the Governor of the Federal Reserve Bank of Minneapolis, advising that that bank is continuing to require a margin of 20% upon all advances secured by Liberty bonds and Victory notes.

Upon motion by Mr. Miller, the Vice Governor was requested to inquire of the Federal Reserve Bank of Minneapolis, why this requirement is made.

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Reference was made to the condition of member banks in different parts of the country, and a discussion ensued regarding the need of a more effective supervision by the Federal Reserve Board and especially the need of a greater efficiency in the examination of member banks.

Upon motion, a committee, consisting of Mr. Platt, Mr. Mitchell and Mr. Crissinger, was designated, it being the function of this Committee to make an investigation of the whole subject of member bank examinations, and to advise the Board what steps should be taken with a view to securing the more effective supervision desired. This Committee was further authorized to constitute, for its assistance, an auxiliary committee chosen from among the Governors and Federal Reserve Agents of the several Federal Reserve banks.

REPORTS OF COMMITTEE NO. 1.

Dated November 15th, recommending certain action on applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated November 15th, recommending action on applications 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 1:00 p.m. the meeting adjourned.

Approved

Edmund Platt
Vice Governor

D. W. Hoxton
Secretary.