

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, January 25, 1922, at 11:10 a.m.

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

Minutes of the meeting of the Board held January 20th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business January 19th, 20th, 21st and 23d.

Telegram dated January 20th, from the Chairman of the Federal Reserve Bank of St. Louis, advising that that Bank had, subject to the review and determination of the Federal Reserve Board, established a rate of $3\frac{1}{2}\%$ on open market purchases of bankers acceptances.

Formally approved, having previously been approved by the initials of Board members.

Letter dated January 20th, from Deputy Governor Sailer of the Federal Reserve Bank of New York, advising that the Directors of that Bank had voted to increase from \$3400 per annum to \$4500 per annum the salary of Mr. R. H. Roraback, Associate Director of the Treasury Savings Organization, with the explanation that the Bank is reimbursed for this salary by the Treasury Department, and that the authority to make this increase had been received from the Under Secretary of the Treasury.

Approved.

Letter dated January 21st, from the Governor of the Federal Reserve Bank of Atlanta, submitting a memorandum of operations and costs incident to the proposed plan for supplying the Island of Cuba with currency. The Governor stated that he had been advised by the Secretary of the Treasury that the State Department sees no objection to the Federal Reserve Bank of Atlanta undertaking currency operations in behalf of the Island of Cuba.

Upon motion, the Governor was authorized to advise the Federal Reserve Bank of Atlanta to proceed with its plans, it being understood that written approval of the proposition will be secured from the Secretary of the Treasury.

Letter dated January 20th, from the Secretary of the Federal Reserve Bank of Chicago, submitting a resolution passed by the Board of Directors of the Detroit Branch, providing for an amendment in the by-laws of the Branch, whereby members of the Discount Committee are to receive compensation for their attendance at the weekly meetings at the rate of \$10.00 per member per meeting, in lieu of the \$5.00 now provided for in the by-laws.

Referred to the Governor, it being the sense of the Board, in view of the fact that all directors are members of the Discount Committee, that the attendance fee for regular directors' meetings should be reduced from \$20. to \$10., and that the fee for attendance upon Discount Committee meetings might with justification be increased from \$5.00 to \$10.00.

Letter dated January 18th, from the Chairman of the Federal Reserve Bank of San Francisco, advising of the possibility that the Commercial National Bank of Los Angeles will convert into a State institution.

Referred to the Governor for reply, Mr. Platt suggesting that copies of Mr. Perrin's letter should be sent to the Chairman of the Senate and House Committees on Banking and Currency.

Memorandum dated January 23d, from the Division of Examination, regarding the application of the American National Bank of Pendleton, Oregon, for authority to surrender its permit to exercise fiduciary powers formerly granted by the Federal Reserve Board.

Referred to Counsel.

Letter dated January 17th, from the Chairman of the Federal Reserve Bank of San Francisco, recommending approval of the application of the Valley Bank of Fresno, California, to purchase the Selma National Bank and the Farmers Savings Bank, both of Selma, and to establish a branch at that place.

Approved. Referred to the Governor for reply along lines which will coordinate the action taken in this case with the action recently taken by the Board in the matter of eight additional branches for the Bank of Italy, San Francisco.

Letter dated January 23d, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Gainesville and Northwestern Railroad Company for a loan of \$75,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Memorandum dated January 24th, from the Division of Examination, recommending that the Board approve the request of the Security State Bank of Wanamingo, Minn. that the effective date of one of the conditions of membership be changed from January 1, 1922 to February 15, 1922.

Approved.

Letter dated January 10th, from the Chairman of the Federal Reserve Bank of Philadelphia, recommending approval of an application from the Rittenhouse Trust Company of Philadelphia that the Board, on account of changed conditions, waive condition of membership number one, imposed on the applicant at the time of its admission to membership in the Federal Reserve System.

Approved.

Memorandum dated January 11th, from Mr. Freeman, Assistant Counsel, containing an informal discussion of a question of law involving warehouse receipts under Section 5200 of the Revised Statutes issued by the owner of the goods covered.

The Secretary was instructed to furnish a copy of the memorandum referred to to the Comptroller of the Currency for his information.

Memorandum dated January 23d, from Mr. Wyatt, Assistant Counsel, submitting with reference to the capital required of National Banks in Wisconsin exercising fiduciary power, the following: 1-Draft of a proposed ruling to be issued by the Board and published in the Bulletin, with reference to the amount of capital which the Board will require of National Banks in Wisconsin, applying for permits to act in fiduciary capacities. 2-A letter to the Commissioner of Banking of the State of Wisconsin on the subject. 3-A letter to the Secretary of the Wisconsin Bankers Association, transmitting a copy of the proposed ruling for his information.

Approved. The Secretary was instructed to supply the Bulletin Committee with a copy of the draft of the ruling.

Mr. Platt submitted to the Board a letter dated January 20th, from the Farm Loan Agency at Louisville, Kentucky, suggesting that such loans for the State of Kentucky be concentrated at Louisville where there is a branch bank of the Eighth Federal Reserve District, rather than that the State continue to be divided as at present between ^{the} eighth Federal Reserve District and the Fourth Federal Reserve District.

Noted.

The Governor brought to the attention of the Board the fact that the building for the Nashville Branch of the Federal Reserve Bank of Atlanta is still held in abeyance, and upon motion, the matter was ordered docketed as special order business for consideration tomorrow.

Letter dated January 19th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of a list of Federal Reserve Bank Assistant Examiners, the said list consisting of seven Assistant Examiners at the head office, two Assistant Examiners at the Seattle Branch and three Assistant Examiners at each of the other branches.

Approved.

Memorandum dated January 24th, from the Chief of the Division of Examination, submitting the resignation of Examiner V. J. Grund, dated January 21, 1922.

Accepted.

Letter dated January 20th, from the Director of the Division of Analysis & Research, requesting a leave of absence without pay for six months, dating from January 15th, for Mr. J. H. Chapman, and recommending

the appointment of Mr. Ralph Robey in Mr. Chapman's place at salary on the basis of full time service of \$1750 per annum.

Approved.

Letter dated January 19th, from the Director of the Division of Analysis & Research, advising of the resignation of Miss Ruth Gillette, whose present salary is \$1650 per annum, and requesting approval of the appointment of Miss Jessie Smith for the place made vacant, at a salary of \$1500 per annum.

Approved.

Letter dated January 20th, from the Comptroller of the Currency, advising of the resignation of Mrs. Ruth M. Bebeau, clerk-counter in the Federal Reserve Board's Issue and Redemption Division, effective January 15, 1922.

Noted.

REPORTS OF COMMITTEE NO. 1:

Dated January 21st, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated January 21st, Recommending action on applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated January 23d, Recommending admission of state banks, subject to
" " 24th, the conditions stated in the individual reports attached to the applications, as set forth in the auxiliary minute book as of this date.

Approved.

Dated January 13th, Recommending approval of the application of Mr. William G. Baker to serve at the same time as director of the Merchants National Bank and the Commerce Trust Company, and as a member of the firm of Baker, Watts & Company, all of Baltimore, Maryland.

Approved.

Dated January 19th, Recommending approval of the application of Mr. Frank J. Sheble to serve at the same time as director of the National Bank of Germantown, Phila. and as director of the Wayne Junction Trust Co., Philadelphia.

Approved.

Dated January 20th, Recommending approval of the application of Mr. Fred N. Stevens to serve at the same time as director of the Manufacturers National Bank of Troy, N.Y., and as vice president and director of the Peoples National Bank, Hoosick Falls, N.Y.

Approved.

At one o'clock a recess was taken, the Board to convene again at eleven o'clock tomorrow morning.