

A meeting of the Federal Reserve Board was held in the office of the Governor on Friday, April 14, 1922, at 11:10 a.m.

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

Minutes of the meeting of the Board held April 7th, meetings of the Executive Committee held April 10th and April 12th, and meeting of the Board held April 13th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business April 11th and 12th.

Telegram dated April 12th, 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 3% on open market purchases of bankers acceptances.

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

Telegram dated April 7th, from the Chairman of 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 minimum rate of 3% upon open market purchases of bankers acceptances.

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

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Telegram dated April 13th, from the Chairman of the Federal Reserve Bank of Richmond, 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 $4\frac{1}{2}\%$ upon all classes of paper of all maturities, effective April 14, 1922.

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

Draft of letter, prepared by General Counsel for the signature of the Governor, addressed to the Chairman of the House of Representatives Committee on Banking and Currency, giving the views of the Federal Reserve Board with reference to a proposed bill to amend the last paragraph of Section 11(k) of the Federal Reserve Act.

Approved.

Memorandum dated April 13th, from the Secretary of the Board, submitting a letter of April 10th, addressed to Mr. Mitchell by Mr. W. B. Geery, Deputy Governor of the Federal Reserve Bank of Minneapolis, with reference to proposed increases in salaries recommended by the Board of Directors of the Federal Reserve Bank of Minneapolis for certain officers in the Federal Reserve Agents Department.

Upon motion, this matter was ordered held, to be referred to Mr. Mitchell, Chairman of the Committee on Salaries and Charge Offs, upon his return to Washington.

Memorandum dated April 13th, from the General Counsel, requesting authority to purchase certain law books for use in his office, said memorandum being recommended for approval by Mr. Hamlin, Chairman of the Law Committee.

Approved.

Memorandum dated April 13th, from the General Counsel, expressing the opinion that the Federal Reserve Board has legal right to impose any restrictions and limitations it may deem proper in the matter of the purchase of Government securities by Federal reserve banks for their own account. Also, letter dated April 14th, from the Under Secretary of the Treasury, calling attention to recent increased purchases in the holdings of Government securities by Federal reserve banks.

Upon motion, ordered placed upon the program for discussion at the forthcoming Conference of Governors of the Federal Reserve Banks.

After some discussion of matters developed at the meeting yesterday held for the purpose of discussing certain matters with the Federal Reserve Agent of the Federal Reserve Bank of Dallas, Mr. Hamlin moved that Mr. R.L. Van Zandt be requested to come to Washington and appear before the Federal Reserve Board for the further discussion of those matters discussed yesterday with Judge Ramsey.

Carried.

Letter dated April 7th, from the Chairman of the Federal Reserve Bank of Dallas, addressed to Mr. J. R. Mitchell, enclosing a memorandum addressed to Governor McKinney by Deputy Governor Emerson and Cashier Gilbert, recommending adjustments in salaries of certain employes of the Federal Reserve Bank of Dallas, effective as of April 1, 1922.

Approved.

Mr. Hamlin submitted a letter dated April 13th, addressed to him by the Chairman of the Federal Reserve Bank of New York, inquiring if the Board would view favorably applications of Mr. McGarrah, Chairman of the Mechanics and Metals National Bank of New York City, Mr. McHugh, President of the said Bank, and Mr. Campbell, Vice President, to serve at the same time as directors of the Lincoln Trust Company of New York City.

Upon motion, the Secretary was instructed to advise Mr. Jay that upon the facts stated in his letter, the Board will approve the applications in due course.

The Governor submitted drafts of letters prepared for his signature, dated April 13th and 14th, and addressed to Mr. L. C. Adelson, Deputy Governor of the Federal Reserve Bank of Atlanta, and Mr. S. P. Gilbert, Jr., Under Secretary of the Treasury, with reference to the Board's circular letter X-3365, dated March 22, 1922, and advising that the Board sees no objection to the Federal reserve banks transmitting orders for the accounts of member banks direct to brokerage houses in other districts, provided that simultaneously with the transmission of such orders, advice is given to the Federal Reserve Bank of the district wherein the particular order is to be executed.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated April 13th, Recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book of this date.

Approved.

Dated April 12th, Recommending action on applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 12th, Recommending admission of state institutions, subject to the conditions stated in the individual report attached to the applications, as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 11th, Recommending approval of the application of Mr. John Lagomarsino to serve at the same time as director of the First National Bank, Oxnard, Calif. and as director of the Bank of Italy, San Francisco.

Approved.

Dated April 13th, Recommending approval of the application of Mr. Emerson M. Willis to serve at the same time as director of the Utica City National Bank of Utica, N.Y., and as director and president of the National Bank of Clayville, Clayville, N.Y., and as director of the Whitestown National Bank, Whitesboro, N.Y.

Approved.

Dated April 13th, Recommending holding of the application of Mr. C. W. Sheldon to serve at the same time as director and officer of the Continental National Bank of Kansas City, Mo., and as director of the Metropolitan Bank of Kansas City, Mo.

Approved.

Letter dated April 10th, from the Chairman of the Federal Reserve Bank of Chicago, addressed to the Secretary of the Board, with reference to the application for membership of the Commercial State Savings Bank of Detroit, in reply to a letter of April 1st from the Secretary of the Board advising that the Federal Reserve Board was disposed to grant the application although the Federal Reserve Bank of Chicago and the Detroit Branch had recommended that the action upon the application be deferred.

Referred to Governor Harding for reply.

At 12:45 p.m. the meeting adjourned.

Approved:

Governor.

Secretary.