

FEDERAL RESERVE BOARD

WASHINGTON

May 22, 1922.

MEMORANDUM FOR GOVERNOR HARDING:

The undersigned request that you call a special meeting of the Federal Reserve Board for today, Monday, May 22d, at 11:00 a.m.

Edward Platt
J. Hutchins
et al

A special meeting of the Federal Reserve Board was held in the office of the Board on Monday, May 22, 1922, at 11:35 a.m.

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

Minutes of the meeting of the Board held May 19th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business May 18th and 19th.

Letter dated May 20th, 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 Railroad Company for a loan of \$400,000, in eight parts, the carrier electing to take over at this time an instalment in the principal amount of \$50,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Letter dated May 22d, 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 \$2,758,000, the carrier electing to take over at this time an instalment in the amount of \$2,100,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved. Mr. Hamlin not voting.

Memorandum dated May 20th, addressed to Governor Harding by the Assistant Secretary of the Board, requesting authority to make the necessary expenditure(\$115.00) to instal a number of ventilators on the windows of the Board's offices in the Otis Building.

Approved.

Memorandum dated May 20th, addressed to Governor Harding, from the Assistant Secretary of the Board, requesting authority to instal a second steel wall cabinet in the filing room, at a cost of \$1125., said installation to take the place of the filing cabinets now in that room, but which are required for the offices in the Otis Building.

Approved.

Letter dated May 20th, from the Comptroller of the Currency, requesting Board's approval for a salary of \$2400 per annum to be paid to Mr. Albert L. Ritt, National Bank Examiner in the Tenth Federal Reserve District.

Approved.

The Governor advised the Board that the Secretary of the Treasury had submitted to the Board for comment a communication received by the State Department from a bank at Guayquil, Ecuador, with reference to letters of credit for the American trade.

Referred to the Governor.

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The Governor submitted to the Board a letter of May 22d, from the Chairman of the Federal Reserve Bank of Atlanta, transmitting a report with reference to progress which has been made in the matter of the construction of the new branch bank building at New Orleans.

Noted.

Telegram dated May 22d, from the Governor of the Federal Reserve Bank of Minneapolis, inquiring if the Comptroller of the Currency has ruled that national banks may establish branches in the cities wherein are located the head offices.

The Governor was requested to advise Governor Young that the Comptroller of the Currency has not issued such a ruling.

Letter dated May 19th, from the Secretary of the Federal Reserve Bank of Chicago, advising that the Executive Committee of that Bank, at a meeting on May 19th, had, subject to the approval of the Federal Reserve Board, voted to authorize to pay a contribution of \$2600 to the local chapter of the American Institute of Banking, said amount being the Federal Reserve Bank's pro rata share for educational work during 1922-23.

Approved.

Letter dated May 18th, from the Secretary of the Federal Reserve Bank of New York, advising that, subject to the approval of the Federal Reserve Board, the Board of Directors of that Bank, at a meeting held May 17th, authorized the Federal Reserve Club of that Bank to use for educational work the sum of \$2770.56, the unexpended balance of the appropriation for

the year 1921, including interest on bank balance, and also appropriated to the Club for like purposes for the year 1922, the further sum of \$8,053.29.

Approved.

Letter dated May 19th, from the Chairman of the Federal Reserve Bank of St. Louis, advising that on June 7th that Bank will hold its regular annual meeting of the directors of the head office and branches, and requesting that a member of the Federal Reserve Board attend the meeting.

Mr. Mitchell agreed to attend the meeting in St. Louis on June 7th.

Letter dated May 18th, from the Chairman of the Federal Reserve Bank of Atlanta, advising of certain changes in the payroll and personnel at the head office and the branches, said changes involving increases, decreases, resignations, dismissals and the engagement of new employes.

Approved.

Letter dated May 15th, from the Under Secretary of the Treasury, submitting final proof of Treasury Department Circular No. 176, presenting regulations covering deposits of public money and payments of Government warrants and checks, and inquiring if the Federal Reserve Board is satisfied with those provisions contained in the circular which affect the Federal Reserve Banks, said letter having been by action of the Board on May 17th, referred to the General Counsel through the Law Committee.

After discussion, the Governor was requested to make reply.

Letter dated May 19th, addressed to the Vice Governor by the Governor of the Federal Reserve Bank of St. Louis, with reference to recent correspondence had between the Board and the Consulting Architect with regard to the manner of procedure to be followed by the Federal Reserve Bank of St. Louis in the letting of contracts and in the construction of the new bank building.

Referred to the Governor.

Memorandum dated May 5th, prepared by three National Bank Examiners, addressed to the Comptroller of the Currency, and submitted by Mr. Crissinger to the Federal Reserve Board, said memorandum being an analysis of the abuses practiced by some member banks in the matter of granting acceptance credits.

It was the sense of the meeting that this memorandum should be mimeographed and transmitted by the Federal Reserve Board to all Federal reserve banks.

The Governor submitted a report dated May 3d, from the Board's Chief Examiner, Mr. Herson, advising of the methods used by the Federal Reserve Bank of Dallas in handling past due paper discounted for the National Bank of Cleburne, Texas.

Noted.

Report of Committee No. 1, recommending that pending the proposed amendment to the Clayton Act, the Board take no action with reference to the application of Mr. Albert Carry for permission to serve at the same time as director of the American Security and Trust Company and the Commercial National Bank, both of Washington, D. C.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated May 20th, Recommending changes in stock at Federal reserve banks, as set forth in the auxiliary minute book of this date.

Approved.

Dated May 20th, Recommending action on applications for fiduciary powers, as set forth in the auxiliary minute book of this date.

Approved.

Dated May 20th, Recommending action on application for admission of state institution, subject to the conditions stated in the individual report attached to the application, as set forth in the auxiliary minute book of this date.

Approved.

Dated May 20th, Recommending approval of the application of Mr. J. H. Ingwersen to serve at the same time as director of the First National Bank of Duluth, Minn., and as director of the Peoples National Bank of Proctor, Minn., and as director of the Cedar Rapids National Bank of Cedar Rapids, Iowa.

Approved.

Dated May 20th, Recommending approval of the application of Mr. Joseph J. Crowley to serve at the same time as director of the First National Bank of Detroit, Mich. and as director of the Detroit Trust Company of Detroit, Mich.

Approved.

At 12:15 p.m. the meeting adjourned.

W. D. Boston
Secretary.

Approved:

[Signature]
Governor.