

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, May 23, 1922, at 10:30 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 22nd were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business May 20th.

Letter dated May 22nd, from the Federal Reserve Agent at Boston enclosing copy of a letter received from the Industrial Trust Company of Providence, R.I., relative to the taking over of the Slater Trust Company of Pawtucket, authorized by the Federal Reserve Board at its meeting of May 19th.

Approved.

Letter dated May 17th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting the Board to set a date upon which Mr. Edward Elliott of California may meet with the Board with a view to discussing the practice of certain member banks in California of carrying against special savings accounts the reserve required by the Federal Reserve Act to be carried against time deposits.

Upon motion, Mr. Miller was requested to advise Mr. Perrin that the Board will meet Mr. Elliott at 10:00 a.m. on June 14th, next.

-2-

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 \$9,630,000, in two parts, the carrier electing at this time to take down the second instalment on the second part of the loan, in the amount of \$500,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved, Mr. Hamlin not voting.

Letter dated May 23d, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Chesapeake and Ohio Railway Company for a loan of \$5,338,000, in four parts, the carrier electing at this time to take down the fourth instalment in the amount of \$1,334,500, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Letter dated May 22d, from the Chairman of the Federal Reserve Bank of New York requesting authority to set aside \$250,000 with a view to completing the \$1,000,000 self-insurance fund previously set up on the books of that bank.

After discussion, this matter by unanimous consent was ordered laid over until the meeting to be held tomorrow.

Letter dated May 11th, from Mr. George L. Harrison, Secretary of the Governors' Conference, transmitting the Secretary's minutes of that Conference and the stenographic report thereof.

After discussion of those matters upon which action was taken by the Governors' Conference, and upon which action of the Federal Reserve Board is necessary, it was voted to concur in the recommendation of the Governors' Conference as follows:

First: that the General Counsel of the Board shall be directed to prepare the draft of a regulation covering the matter of the open market purchase of trade acceptances by Federal reserve banks.

Second: that the Federal Reserve Board and the Federal reserve banks shall discontinue as of July 1, 1922, the publication in the individual and combined statement of the Federal reserve banks, the item "Reserve for Government Franchise Tax".

Third: that the Federal reserve banks shall observe the practice of closing their books only on December 31st of each year in lieu of the practice hitherto obtaining of closing the books on June 30th and December 31st of each year, it being provided, however, that the Federal reserve banks shall continue the declaration of dividends semi-annually.

The Governor stated that the next thing in order was the special order business docketed for today by action of the Board taken on May 19th, namely, the proposed resolution that it is the sense of the Board that the discount rate at the Federal Reserve Bank of New York could, with advantage, be reduced to 4%.

After discussion, Mr. Miller moved that it is the opinion of the Board that the discount rate of the Federal Reserve Bank of New York can with advantage be reduced to 4%.

Mr. Hamlin moved, as an amendment to Mr. Miller's motion, that the Federal Reserve Bank of New York be requested to submit to the Board a survey of the rate situation in New York with a comprehensive report of those reasons upon which a decision may be reached with reference to the desirability of a change in discount rate by the Federal Reserve Bank of New York.

Mr. Hamlin's amendment being put by the chair was lost. Mr. Miller's motion being put by the chair was carried. Mr. Hamlin voted "no", stating that he was not willing to vote in favor of Mr. Miller's motion, without advice on the rate question from the Federal Reserve Bank of New York.

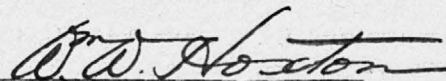
Upon motion of Mr. Mitchell, it was ordered that the application from certain banks in St. Louis, Missouri, to have that city designated as a reserve city in lieu of a central reserve city be placed upon the docket as special order business for the meeting of the Board to be held on Thursday, May 25th.

REPORTS OF COMMITTEE NO. 1:

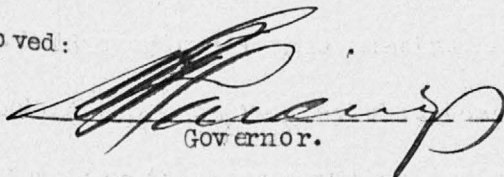
Dated May 23d, Recommending approval of the application of Mr. James Tyson to serve at the same time as director of the Citizens National Bank of Alameda, Alameda, Cal., and as director of the Anglo-California Trust Company, San Francisco.

Approved.

At 12:50 p.m. the meeting adjourned.


Secretary.

Approved:


Governor.