

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, May 31, 1922, at 10:30 a.m.

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

Minutes of the meeting of the Board held on May 29th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business May 27th.

Telegram dated May 31st, from the Federal Reserve Agent at San Francisco, requesting a ruling of the Board with reference to a certain member bank in Phoenix, Arizona which has recently acquired a bank at Globe, Arizona, since, on account of such action, a situation has arisen under which the head office of a member bank is in the Twelfth Federal Reserve District and certain branches thereof are in the Eleventh Federal Reserve District.

Upon motion, the Governor was requested to refer this matter to the General Counsel.

Letter dated May 29th, from Mr. Kenzel, Deputy Governor of the Federal Reserve Bank of New York, with reference to a modified agreement between that Bank and certain insurance companies in the matter of premiums on fidelity insurance.

Upon motion, the Governor was requested to advise the Federal Reserve Bank of New York that the new rate proposed impresses the Board as being favorable, and to request that the Bank keep the Board advised as to future developments.

Letter dated May 29th, from the Under Secretary of the Treasury, with reference to a suggestion recently made by him to the Federal Reserve Banks that they allow certain of their investments consisting of Treasury certificates maturing June 15, 1922, to run off in due course and not to reinvest the funds until at least fifteen days after the receipt by the Government of income taxes on June 15th.

Upon motion, the Governor was requested to forward a copy of Mr. Gilbert's letter to the Governor of the Federal Reserve Bank of New York for his information, and to request his views, together with any reasons which he may have for not complying with the request of the Treasury Department in this matter.

Letter dated May 29th, from the Secretary of the Federal Reserve Bank of New York, advising that the Executive Committee of that Bank had, subject to the review and determination of the Federal Reserve Board, established a minimum rate of $3\frac{1}{8}\%$ for the open market purchase of trade acceptances by that Bank.

Approved.

Letter dated May 25th, from the Assistant Federal Reserve Agent at San Francisco, enclosing copy of the Bank of Italy's detailed comments concerning loans criticised by the State Banking Department.

Upon motion, ordered referred to Messrs. Miller and Mitchell.

Telegram dated May 31st, from the Federal Reserve Agent at Dallas, requesting authority to compensate special counsel employed with reference to the matter of jurisdiction in the case of the Federal Reserve Bank of Dallas instituted to secure payment upon certain paper discounted by that Bank for the National Bank of Cleburne, Texas.

Upon motion, the Governor was requested to advise Judge Ramsey that the Board's only function in the matter appears to be the approval of compensation and that the Board is not prepared to express approval or disapproval of the figures named in Judge Ramsey's letter of May 22d, without full information as to character and value of services to be performed.

Letter dated May 29th, from the Federal Reserve Agent at Kansas City, advising of the action of the Board of Directors of that Bank whereby under certain specified conditions the lot acquired in Denver as a site for the branch bank building is to be exchanged for another lot.

The Governor was requested to advise Mr. Ramsay that the exchange of lots in Denver, which involves no additional outlay by the Federal Reserve Bank of Kansas City, is a matter for the determination of the Board of Directors of that bank, but also calling Mr. Ramsay's attention to the so-called "Harris" amendment to the Federal Reserve Act which has passed both Houses of Congress, which is now before the President for signature and which limits the amount which Federal reserve banks may expend upon buildings, including real estate.

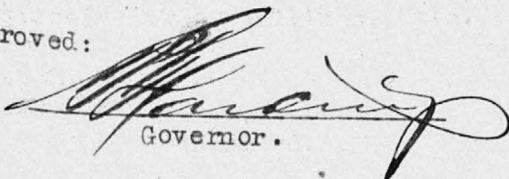
The Governor stated that the next thing in order would be the special order business, namely, the matter of reclassifying the city of St. Louis as a reserve city in lieu of a central reserve city, such business having been docketed for today's meeting by action of the meeting of May 25th. After full discussion, Mr. Mitchell moved that the city of St. Louis be reclassified as a reserve city, effective July 1, 1922.

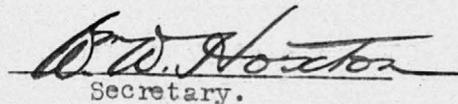
Carried; Governor Harding, Mr. Hamlin and Mr. Mitchell voting "aye"; Mr. Crissinger and Mr. Miller voting "no".

Mr. Hamlin stated that Mr. Platt had requested that his vote on this matter be regarded as in the affirmative.

At 12:25 p.m. the meeting adjourned.

Approved:


Governor.


Secretary.