

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, June 27, 1922, at 10:25 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 June 22d were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business June 21, 22, 23 and 24.

Telegram dated June 23d, from the Federal Reserve Bank of Chicago, requesting approval of a minimum rate of  $2\frac{1}{2}\%$  for open market purchases of bankers' acceptances.

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

Letter dated June 22d, from the Secretary of the Federal Reserve Bank of Cleveland, transmitting for the approval of the Federal Reserve Board the resolution of the Board of Directors of that Bank, declaring a dividend for the six months period ending June 30, 1922, at the rate of  $6\%$  per annum.

Approved.

Letter dated June 23d, from the Federal Reserve Agent at St. Louis, enclosing, with favorable recommendation, application of the Missouri National Bank of St. Louis, for authority to carry a reserve reduced from  $10\%$  to  $7\%$  against demand deposits, in view of the fact that the applicant is an outlying bank.

Approved.

Letter dated June 26th, from the Chairman of the Federal Reserve Bank of Richmond, recommending that the Federal Reserve Board authorize the Carolina Banking & Trust Company of Elizabeth City, N.C. to establish a branch at Columbia, N.C.

Approved.

Letter dated June 21st, from the Chairman of the Federal Reserve Bank of Atlanta, advising that the Board of Directors of that Bank had, subject to the approval of the Federal Reserve Board, adopted a resolution declaring a dividend for the six months period ending June 30, 1922, at the rate of 6% per annum, on the paid-in capital stock, payable on the 30th day of June, 1922.

Approved.

Letter dated June 21st, from the Treasurer of the United States, advising that no applications have been received by that office for the sale of bonds under Section 18 of the Federal Reserve Act, for the quarter ending June 30th.

Noted.

Memorandum dated June 24th, from the Assistant Secretary of the Board, requesting authority to accept the lowest bid, \$42.00, of the Merchants' Transfer and Storage Company, for the transportation of obsolete records of the Federal Reserve Board to the old Bureau of Engraving and Printing.

Approved.

Letter dated June 20th, from the Federal Reserve Agent at Boston, transmitting, with favorable recommendation, the application of the Hub Trust Company of Boston, Mass. to establish a trust department.

Approved.

Letter dated June 16th, from the Chairman of the Federal Reserve Bank of Dallas, transmitting letter from Governor McKinney, with reference to matters criticized by the Federal Reserve Examining Division in the recent report of examination of the Federal Reserve Bank of Dallas.

Referred to Mr. Mitchell, with request that he take the matter up with Chief Examiner Herson.

Letter dated June 23d, from the Secretary of the Federal Reserve Bank of Cleveland, advising of the establishment, in accordance with previous action of the Board, of a minimum rate of 4% for open market purchases of trade acceptances.

Approved.

Letter dated June 22d, from the Chairman of the Federal Reserve Bank of Kansas City, advising of the resignation of Governor J. Z. Miller, Jr., effective July 1, and the election as Governor of the Bank of Mr. W.J. Bailey, at present a Class A Director, at salary of \$20,000 per annum, all effective July 1, 1922.

Upon motion, it was voted to approve a salary of \$20,000 per annum for Governor Bailey, effective July 1, 1922.

Letter dated June 22d, from the Governor of the Federal Reserve Bank of New York, addressed to the Vice Governor of the Federal Reserve

Board, with reference to the treatment of surplus and super-surplus accounts upon the books of the Federal reserve banks.

Referred to the Law Committee for report.

Letter dated June 24th, from the Chairman of the Federal Reserve Bank of Atlanta, requesting an increase in his salary from \$12,000 to \$15,000 per annum.

Upon motion, the letter from Mr. McCord was referred to the Committee on Salaries and Charge Offs.

Letter dated June 24th, from Federal Reserve Examiner Mark A. Wilson, tendering his resignation as an examiner of the Federal Reserve Bank of Chicago, effective July 1, 1922.

Noted.

Letter dated June 22d, from the Governor of the Federal Reserve Bank of Kansas City, Mr. J. Z. Miller, Jr., advising the Board of his resignation as Governor of that Bank, effective July 1, 1922.

Noted.

The Governor announced that at the request of the Director of the Bureau of the Budget, he had designated Mr. Walter L. Eddy, the Assistant Secretary of the Board, as the Board's representative to meet, upon call by the Chief Coordinator, with representatives selected from other departments.

Approved.

Letter dated June 20th, from Governor McDougal, Chairman of the Leased Wire Committee of the Federal Reserve System, submitting the recommendation of that Committee, and requesting the Board's approval therefor.

Approved.

Letter dated June 20th, from Mr. W. H. Hartford, of Nashville, Tennessee, transmitting an application from three banks in Chatanooga, Tenn. that the city of Chatanooga be no longer classified as a reserve city.

Upon motion, referred to a special committee, consisting of Messrs. Platt, Mitchell and Crissinger.

The Governor reported to the Board that Governor Strong, of the Federal Reserve Bank of New York, as Chairman of the Governors' Conference, had suggested to all Federal reserve banks that they decline reimbursement by the Government for fiscal agency operations.

Referred to the Law Committee.

Mr. Mitchell submitted to the Board two letters addressed to the Secretary of the Clearing House Section of the American Bankers Association, with reference to the "no protest" limitation and the numerical system of the American Bankers Association.

The letters were approved and ordered transmitted.

Mr. Mitchell submitted to the Board a letter from the Governor of the Federal Reserve Bank of San Francisco, transmitting recommendation covering salary increases in that Bank as of July 1, 1922, together with a proposed draft of reply and a proposed telegram, on the subject of semi-annual salary adjustments, addressed to all Federal reserve banks.

Referred to the Executive Committee with power.

Letter dated June 20th, from the Secretary of the Treasury, suggesting the possibility of the Federal reserve banks taking over some of

the loans of the War Finance Corporation.

Referred to the Governor for acknowledgement.

Memorandum from General Counsel, requesting authority to employ Mrs. Josephine H. Wilmarth as File Clerk in the Counsel's Office, at a salary of \$1300 per annum.

Approved.

Letter dated June 24th, from the Director of the Division of Analysis & Research, suggesting the ad interim withdrawal of his resignation as director of the Division which was previously made effective as of July 1, 1922.

Upon motion of Mr. Miller, seconded by Mr. Crissinger, it was voted that the salary of Dr. H. Parker Willis as Consulting Economist of the Board be fixed at \$500 per month, said action being taken in view of the resignation of Dr. Willis as Director of the Division of Analysis and Research and the contemplated resignation of Mr. Steiner, Acting Director of the Division. It being understood that Dr. Willis will continue to be paid the salary stated and will continue to perform all the duties which he has heretofore performed as Director of the Division, until such time as the Federal Reserve Board shall select a new Director of the Division of Analysis and Research.

Upon motion of Mr. Mitchell, it was voted also that Mr. Miller be requested to present to the Board the name of some person qualified to serve as the successor to Dr. Willis, as Director of the Division of Analysis and Research.

REPORTS OF COMMITTEE NO. 1:

Dated June 26th, Recommending approval of the application of Mr. E. A. Frost to serve at the same time as president of the State National Bank of Texarkana, Ark. and as director and Chairman of the Board of the Commercial National Bank of Shreveport.

Approved.

Dated June 26th, Recommending approval of the application of Mr. Wesley G. Fitzgerald to serve at the same time as director of the Atlantic City National Bank and as vice president of the Corn Exchange National Bank of Philadelphia.

Approved.

Dated June 26th, Recommending approval of the application of Mr. Frank R. Jackson to serve at the same time as director of the Totowa National Bank of Paterson, N.J. and as director of the Hamilton Trust Company of Paterson, N.J.

Approved.

Dated June 26th, Recommending approval of the application of Mr. J.W. Norwood to serve at the same time as director and inactive officer of the Carolina National Bank, Anderson, S.C., and as director and officer of the Norwood National Bank, Greenville, S.C. and as director of Battery Park Bank, Asheville, N.C.

Approved.

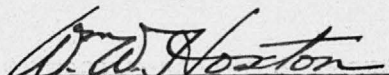
Dated June 24th, Recommending changes in stock at Federal reserve banks, as set forth in the auxiliary minute book of this date.

Approved.

Dated June 26th, Recommending action on applications for fiduciary powers, as set forth in the auxiliary minute book of this date.

Approved.

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

  
Secretary

Approved:

  
Governor.