

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, June 28, 1922, at 10:25 a.m.

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

Minutes of the meeting of the Board held June 27th were read and on motion approved.

The Vice Governor stated that the first thing in order was the report of committees.

The Committee on Salaries and Charge Offs recommended with respect to letter of June 24th from the Federal Reserve Agent at Atlanta, requesting an increase in salary, that the application of Mr. McCord for increase in his salary from \$12,000 to \$15,000 a year be disapproved.

Upon motion, the recommendation of the Committee on Salaries and Charge Offs was adopted.

The Committee on Salaries and Charge Offs recommended with respect to the letter of June 9th, from the Chairman of the Federal Reserve Bank of Dallas, transmitting the action of the Board of Directors of that Bank in increasing the salary of the Governor of the Bank from \$16,000 to \$18,000 a year, that the action of the Board of Directors of the Federal Reserve Bank of Dallas be approved.

Upon motion, the recommendation of the Committee on Salaries and Charge Offs was adopted.

The Vice Governor reported the reserve positions of the several Federal reserve banks as at close of business June 26th.

Letter dated June 28th, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Cisco and Northeastern Railway Company for a loan of \$111,450, in four parts, the carrier electing at this time to take over the second part, in the amount of \$27,863, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Telegram dated June 27th, from the Chairman of the Federal Reserve Bank of Atlanta, 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 $2\frac{1}{2}\%$ for the open market purchase of indorsed bankers acceptances.

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

Letter dated June 23d from the Secretary of the Federal Reserve Bank of Chicago, 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 28th day of June, 1922, to all stockholders of that Bank, as shown by the books of the Bank of that day.

Approved.

Letter dated June 27th, from the Director of the Division of Analysis & Research, recommending increases in the salaries of certain employes, effective July 1, 1922, and giving the reasons therefor.

Approved.

Letter dated June 14th, from the Chairman of the Federal Reserve Bank of Atlanta, together with a memorandum dated June 17th, from the General Counsel, with reference to the question of whether the last paragraph of a recent act of Congress amending Section 10 of the Federal Reserve Act applies when a Federal reserve bank building, including both the cost of the land and the cost of erection, is to exceed \$250,000.

Upon motion, the opinion of General Counsel that the act referred to does include both land and the cost of erection in the limitation of \$250,000, was adopted by the Board. The Board also directed that Chairman McCord be advised of General Counsel's opinion aforesaid.

Letter dated June 24th, from the Federal Reserve Agent at Chicago, transmitting the application for the approval of the Federal Reserve Board of the Oak Park Trust & Savings Bank of Oak Park, Ill. to take over the State Bank of Oak Park, a non-member institution, the said application being transmitted with the favorable recommendation of the Federal Reserve Agent at Chicago.

Approved.

Mr. Hamlin, for the Law Committee, submitted a report upon the letter which was referred to that Committee by action of the Board at its meeting yesterday, dated June 22d, from the Governor of the Federal Reserve

Bank of New York, addressed to Mr. Platt, and having reference to the treatment of surplus and super-surplus accounts upon the books of the Federal reserve banks, Mr. Hamlin's report concurred in the opinion of General Counsel, dated June 5, 1922, and was returned to the Board, together with a copy of that opinion and a memorandum dated June 27, 1922, from the Chief of the Division of Bank Operations.

Upon motion, the report of the Law Committee was accepted.

After discussion of the policy of the Federal Reserve Bank of Dallas in connection with its procedure in dealing with paper discounted by closed banks, it was, upon motion of Mr. Hamlin, voted that all questions of policy of the Federal Reserve Bank of Dallas with respect to attorney's fees and charges for collection be referred to the Executive Committee for investigation and report.

Mr. Miller stated that while in New York, upon the occasion of a visit which he expects shortly to make, he would wish to request Mr. Sprague of Harvard University to meet him in New York, for the purpose of discussing the matter of a new director for the Division of Analysis and Research, and requested that the Board authorize payment of all travelling expenses incurred by Mr. Sprague, should the latter accept the invitation to meet Mr. Miller in New York.

Upon motion, Mr. Miller was authorized to advise Mr. Sprague that he will be reimbursed by the Federal Reserve Board for his travelling expenses in connection with the proposed trip.

At 11:30 a.m. the meeting adjourned.

Approved:

Edmund Platt
Vice Governor.

W. D. Houston
Secretary.