

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, July 27, 1922, at 10:15 a.m.

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

Minutes of the meeting of the Board held July 26th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business July 25th.

The Governor submitted a letter dated July 27th, addressed by him to the Chairman of the Senate Committee on Banking and Currency, in reply to a request of Senator McLean for the views of the Federal Reserve Board with reference to Senate Joint Resolution 229, providing authority for the construction of the Detroit Branch of the Federal Reserve Bank of Chicago.

Approved.

The Governor stated that the Under Secretary of the Treasury had requested the Currency Committee of the Treasury Department to check up the tests applied by the Federal reserve banks and the Treasury Department, to determine the fitness of currency and recommended, with a view to co-operating in this matter, that the Board authorize the sending of a representative to one or more of the Federal reserve banks, for the purpose indicated.

Approved.

Letter dated July 20th, from the Federal Reserve Agent at Dallas, advising that some question had arisen between the Federal Reserve Bank of Dallas and the South-West National Bank of Dallas, with reference to penalties for reserve deficiencies assessed against the Security National Bank of Dallas, which was the predecessor of the South-West National Bank, and which is now in process of liquidation.

Upon motion, the Governor was requested to advise Judge Ramsey that the Federal Reserve Bank of Dallas is granted authority by the Federal Reserve Board to so adjust penalties for reserve deficiencies previously assessed against member banks now in liquidation, that the amount of said penalties shall not exceed 10% of the sum represented by the reserve deficiencies. It being noted that this action is in accord with action taken by the Board in similar cases.

Letter dated July 21st, from the Federal Reserve Agent at New York, submitting schedules made as the result of one of the periodical reviews by the Federal Reserve Bank of New York of the inter-locking directorates in the Second Federal Reserve District.

Upon motion, referred to the Clayton Act Committee.

Mr. Miller, reporting for the Committee on Economy and Efficiency, submitted a proposed circular letter to be transmitted to the Governors of all Federal reserve banks, with copies to the Chairmen.

Approved.

Mr. Miller further explained that the Committee on Economy and Efficiency of the Board had in mind a recommendation to the effect that the scope of the examining division of the Federal Reserve Board be expanded so as to include periodical reports upon methods of internal management and

procedure which are in practice at the Federal reserve banks. Mr. Miller further expressed the opinion that the Division of Examination of the Federal Reserve Board might well, in due course, be instructed to make an examination as to the efficiency of the examining forces of the several Federal reserve banks.

In accordance with the notice given at yesterday's meeting, Mr. Miller submitted, as a basis for discussion, the draft of a tentative ruling designed to regulate the salaries of officers and employes of Federal reserve banks while such officers and employes are absent from duty.

Referred to the Executive Committee.

Mr. Mitchell called the attention of the Board to the present practice of requiring individual bonds for all Federal Reserve Agents and Assistant Federal Reserve Agents, and suggested that this matter might be handled in a more desirable manner by securing a blanket bond to cover all Federal Reserve Agents and Assistant Federal Reserve Agents.

Referred to the Committee on Economy and Efficiency.

Letter dated July 24th, from the Chairman of the Federal Reserve Bank of Dallas, advising that the Board of Directors of that Bank suggested that the Manager of the Houston Branch, Mr. Floyd Ikard, be appointed as a member of the Board of Directors of the Houston Branch, in order to fill a vacancy existing on that Board.

Referred to the Executive Committee.

Mr. Mitchell submitted a draft of a proposed letter to be sent to all Federal reserve banks with reference to requirements covering requests



for the approval of the Federal Reserve Board of all salary adjustments made by the several Federal reserve banks.

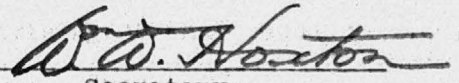
After discussion and the offering of an amendment by Mr. Miller that the figure \$3000, used in the letter, be changed to \$1800, the matter was referred to the Executive Committee.

REPORTS OF COMMITTEE NO. 1:

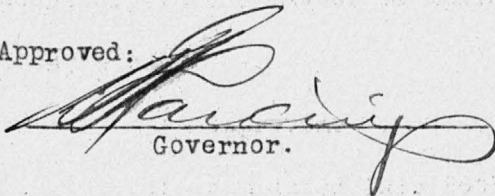
Dated July 27th. Recommending changes in stock at Federal reserve banks, as set forth in the auxiliary minute book of this date.

Approved.

At 12 o'clock the meeting adjourned.

  
Secretary.

Approved:

  
Governor.