

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, August 2, 1922, at 10:15 a.m.

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

Minutes of the meeting of the Board held August 1st were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business July 31st.

Memorandum dated August 2d from the office of the Comptroller of the Currency, submitted with the approval of the Comptroller of the Currency, recommending approval of the Federal Reserve Board of the application of the First National Bank of White Sulphur Springs, Montana, to reduce its capital stock from \$100,000 to \$50,000.

Approved.

The Governor stated that the Under Secretary of the Treasury had suggested that the rate of interest upon temporary Treasury certificates of indebtedness issued to cover overdrafts of the Treasury Department at the Federal reserve banks, might, with propriety, at this time be reduced from 3% to 2%.

The Governor was requested to advise Mr. Gilbert that, in the opinion of the Board, $2\frac{1}{2}\%$ would be the proper rate for the said certificates to bear, inasmuch as $2\frac{1}{2}\%$ is the minimum rate that most of the Federal reserve banks have for the open market purchase of bankers acceptances, and is the lowest optional rate at any of the Federal reserve banks.

Mr. Crissinger moved that the Board review the discount rate of the Federal Reserve Bank of Chicago and fix it at 4%, in view of the large reserve now being carried by that Bank.

Mr. Miller moved to amend, and offered the following resolution:

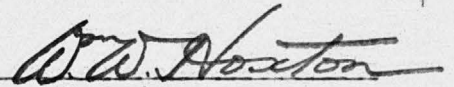
"RESOLVED, that it is the sense of the Federal Reserve Board, as at present advised, that the discount rate at the Federal Reserve Bank of Chicago should be 4%, and the Governor is requested to ascertain from the Federal Reserve Bank of Chicago if any reasons exist why the rate should not be reduced to 4%."

Mr. Crissinger accepted Mr. Miller's amendment, which, being put by the Chair, was carried.

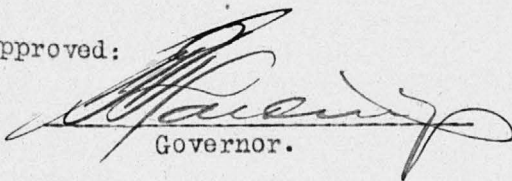
Letter dated August 1st, from the Deputy Comptroller of the Currency, submitting changes made in the national bank examining force during the month of July.

Noted.

At 10:55 a.m. the meeting adjourned.


Secretary.

Approved:


Governor.