

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, August 17, 1922, at 10:35 a.m.

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

Minutes of the meeting of the Federal Reserve Board held on August 16, 1922 were read and approved.

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business August 15, 1922.

Letter dated August 7th from the Federal Reserve Agent at San Francisco, ordered circulated at the meeting yesterday, making inquiry as to whether the Board intends to require an increase in the capital stock from \$50,000 to \$150,000 of the San Fernando Valley Savings Bank in view of the establishment of its branch at Newhall, California.

Upon motion the Secretary was instructed to advise Mr. Perrin that the Board will not require an increase in the capital stock of the San Fernando Valley Savings Bank, being satisfied that the present capital, which was recently increased from \$25,000 to \$50,000, is sufficient for communities so small as those concerned in this case.

The Vice Governor stated that he had been advised by the President of the United States that on September 4th the daylight saving plan practiced at present by the Government departments in Washington will be abandoned.

Letter dated August 10th from the Chairman of the Federal Reserve Bank of Dallas enclosing a copy of the minutes of the last meeting of the Board of Directors of the Federal Reserve Bank of Dallas held on August 7th, and calling attention to the following three items which require the approval of the Federal Reserve Board:

First - the establishment by the Board of Directors of the Federal Reserve Bank of Dallas of a preferential rate of  $3\frac{1}{2}\%$  on commodity paper.

Second - the action of the Board of Directors of the Federal Reserve Bank of Dallas in amending the regulation of that bank with reference to penalties on deficient reserves by the adoption of a provision that on no occasion should such penalty amount to more than 10%.

Third - the action of the Board of Directors of the Federal Reserve Bank of Dallas in authorizing an appropriation of \$2,000 for educational and welfare purposes for the latter half of 1922, all expenditures, as heretofore, to be approved by the Governor or Deputy Governor, it being noted that this action is the same as that approved for the Dallas Bank by the Federal Reserve Board for the six months ending June 30, 1922.

Upon motion, action upon Item No. 1, namely the  $3\frac{1}{2}\%$  commodity rate, was deferred.

Upon motion, Item No. 2 was approved for the present and pending the possible adoption by the Federal Reserve Board of a uniform method of computing the rate of penalty assessments for deficient reserves on the part of the member banks.

Upon motion, Item No. 3, namely the appropriation of \$2,000 for educational and welfare purposes for the latter half of 1922, was approved.

Mr. Mitchell stated that he had examined the proposed letter, submitted to the meeting yesterday, addressed to those Federal Reserve Banks which formerly, for a period, adopted the progressive discount rate and that he had come to the conclusion that the letter should be transmitted. He, therefore, moved that the action taken yesterday, when it was voted to hold in abeyance all requests upon the Federal Reserve Banks for information in this matter until the Board shall be instructed by the Senate to furnish information called for in the resolution referred to,

be reconsidered.

Mr. Mitchell's motion to reconsider was carried.

Mr. Mitchell then moved that the Vice Governor be requested to transmit the letters referred to.

Carried.

Upon invitation of the Board Mr. Pierre Jay, Chairman of the Federal Reserve Bank of New York joined the meeting. Mr. Jay presented to the Board the outline of a plan proposed by the Federal Reserve Bank of New York and concurred in by the Committee on Public Relations of the Federal Reserve Agents Conference whereby an exhibit illustrative of the entire Federal Reserve System will be arranged for presentation at the next meeting of the American Bankers' Association to be held in New York City October 2nd to 6th, next. The chief features of this exhibit will consist of an educational moving picture film, the scenario of which Mr. Jay read to the Board and explained that the expense of the exhibit would, subject to the approval of the Federal Reserve Board, be borne by the twelve Federal Reserve Banks.

Mr. Mitchell moved that it is the sense of the meeting that the Board interposes no objection to the exhibit being made along the general lines suggested by Mr. Jay, with the understanding that the Federal Reserve banks are authorized to pay their prorata share of the expense.

Carried.

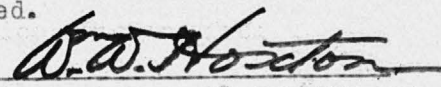
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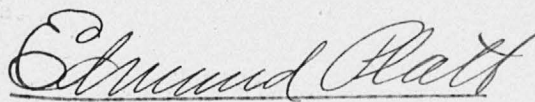
REPORTS OF COMMITTEE NO. 1:

- Dated August 16th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated August 15th, Recommending approval of the application of Mr. J. W. Lyder to serve at the same time as director of the Northern National Bank, Duluth, Minnesota and the Duluth National Bank, Duluth, Minnesota.  
Approved.
- Dated August 15th, Recommending approval of the application of Mr. J. J. Eklund to serve at the same time as director of the Duluth National Bank, Duluth, Minnesota and the Northern National Bank, Duluth, Minnesota.  
Approved.
- Dated August 15th, Recommending approval of the application of Mr. Francis W. Sullivan to serve at the same time as director of the Duluth National Bank, Duluth, Minnesota and the Northern National Bank, Duluth, Minnesota.  
Approved.
- Dated August 16th, Recommending approval of the applications of a state bank for admission to the system, subject to the conditions stated in the individual reports attached to the applications as set forth in the Auxiliary Minute Book of this date.  
Approved.

At 12:00 o'clock the meeting adjourned.

  
Secretary.

Approved:

  
Vice Governor.