

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:00 a. m. on Wednesday, October 6.

PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Willis, Secretary.

The minutes of the meeting of October 4 were read and approved.

The minutes of the Board meeting of September 2 and 3 were taken up for consideration, and the Secretary of the Board read a memorandum from Mr. McAdoo suggesting a form of statement of his own remarks on September 2. The memorandum was accepted as a correction of the minutes, and on motion, the minutes of the Board meeting of those dates were approved.

Mr. Warburg reported to the Board that he had consulted with Mr. Malburn concerning the proposed plan of issuing interim certificates in lieu of Government thirty year 3% bonds, pending the printing of the latter, but had become convinced that the plan was not feasible, and had so informed Governor Rhoads of Philadelphia who

originally offered the suggestion.

On motion applications for Federal reserve notes, duly recommended by the Committee on Issue and Redemption, were approved as follows:

For the Federal Reserve Bank of Dallas,  
 \$1,320,000 in the following denominations:

\$5 denomination	\$400,000
10       "	520,000
20       "	400,000

For the Federal Reserve Bank of Cleveland,  
 \$1,000,000 in the following denominations:

\$10 denomination	\$400,000
20       "	400,000
50       "	200,000

Mr. Hamlin presented a letter from The National Bank of Norwalk, Connecticut, offering \$111,000 of Panama 2% bonds, and \$130,000 of 2% consols, under the terms of the Federal Reserve Act.

On motion it was voted that the Secretary of the Board inform the bank of the action recently taken on this matter, and that he maintain a file of offers or applications as the same come in from banks authorized to make such tenders of bonds.

Mr. Hamlin presented a letter from Federal

Reserve Agent Curtiss making inquiry whether Federal reserve banks could rediscount paper for savings banks, or whether the Board would grant authority to make such rediscounts under the clause authorizing it to exercise that function. On motion it was voted that the Secretary reply stating that the Board is not disposed to take this subject up now for consideration, but will bear it in mind in connection with later action.

On motion, in accordance with the recommendation of the Committee on State Banks, the following action upon applications of member banks for fiduciary powers, was approved:

Applications approved:

First National Bank, Pendleton Oregon.  
Aberdeen National Bank, Aberdeen, S. D.

Referred back to Federal Reserve Agent:

City National Bank, Belfast, Maine.

Rejected:

Capital National Bank, Salem, Oregon.

On motion the following applications for stock in Federal reserve banks, duly recommended by the Committee on State Banks, were approved:

DISTRICT NO. 8.		Sharps.
Staunton National Bank	Staunton, Ill.	17

## DISTRICT NO. 9.

First National Bank	Florence, S. Dak.	18
First National Bank	Bryant, S. Dak.	18

## DISTRICT NO. 11.

Farmers & Merchants National Bank		
	Kaufman, Texas.	45

## DISTRICT NO. 9.

First National Bank	Bridgewater, S. D.	3
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## DISTRICT NO. 11.

State National Bank	Albuquerque, N. M.	30
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On motion the following applications for the surrender of stock in Federal reserve banks, duly recommended by the Committee on State Banks, were approved:

## DISTRICT No. 10.

First National Bank	Heavener, Okla.	19
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Mr. Hamlin stated to the Board that it was the opinion of the Federal Reserve Agent at Boston that the Federal Trust Company of that place would probably not enter the system should the Board insist upon action marking down its securities to current value. On motion the question of requiring such readjustment of

securities, was referred to the Committee on State Banks.

On motion a report of Mr. Harding relative to rediscounts for the Hibernia Bank and Trust Company of New Orleans, was laid on the table.

The question of control of the stock of Federal reserve notes at New Orleans coming up, the Secretary of the Board presented certain memoranda from Counsel. On motion it was voted that the Comptroller of the Currency be advised that notes needed for use in New Orleans shall henceforward be held at the Subtreasury in that place for his account, and shall be released subject to applications duly made upon the regular form of requisition approved in the same way as for other issues of Federal reserve notes.

A report of Mr. Harding relative to the letter of Federal Reserve Agent Jay regarding the obtaining of credit information concerning certain New Jersey banks which have applied for fiduciary powers, was read and the contents noted.

On motion it was voted that the Governor of the Board submit to the Board the result of an investi-

gation recently made by him with reference to the Comptroller's authority and responsibility regarding information relating to the condition of member banks.

The Secretary of the Board read reports of the Committee on Staff declining the application of Elizabeth Blackistone for appointment on the staff of the Board, accepting the resignation of James Hoover, subject to 30 days' leave of absence, and accepting the resignation of Harvey S. Nicholson as messenger, the said Nicholson, however, to be retained on the staff for duty as janitor at \$10 per month. On motion the recommendations of the Committee in these particulars were approved.

The Secretary of the Board having presented memoranda prepared by Counsel relative to the proposed transfer of banks in Louisiana from the Dallas to the Atlanta district, it was, on motion voted that Mr. Warburg, Mr. Harding and the Secretary of the Board prepare and send out a letter to the various banks in Louisiana asking an expression of their opinion as to the proposed transfer.

Mr. Hamlin reported the result of an investigation into the case of Deputy Federal Reserve Agent Hackney of Boston, and recommended the transmission of a general letter to all Federal reserve agents informing them in all those cases where the deputy is paid on a fee system, such fee shall be paid only when the Federal reserve agent has specifically requested the deputy to render service. It was agreed that the Governor prepare such a letter for transmission.

The Secretary of the Board read a letter from Federal Reserve Agent Wellborn relative to the retaining fee of Counsel for the Branch Bank at New Orleans. On motion the fee specified was approved, and the letter was referred back to Mr. Harding for reply.

The question recurring of the appointment of a committee to attend the Minneapolis conference of Governors of reserve banks, it was on motion voted, that the Board should say to the Governors that if the public business permits, some member of the Board will doubtless be glad to attend.

The Secretary of the Board presented a report prepared by Mr. Warburg at the request of the Board with

reference to the establishment of foreign agencies of Federal reserve banks. The report was received, and on motion, ordered circulated.

The Secretary of the Board presented a letter from Federal Reserve Agent Tenison inquiring whether Federal reserve banks may purchase acceptances of concerns such as commission houses which do some accepting and discounting. On motion it was voted to cite the terms of the Regulation to Mr. Tenison, and to say that the question of eligibility of acceptances or acceptors is left to the judgment of Federal reserve banks under said regulation. The Board, however, would not wish to see those who are not in the habit of accepting regularly considered eligible as acceptors.

A letter from Federal Reserve Agent Tenison, with reference to the question of his salary was read and noted.

The Secretary of the Board presented a letter from the State Department relative to the payment of export duties in Chile, and was instructed to inform the persons interested in the matter, of the action taken.

The question of conditions under which the



traveling expenses of members of the Federal Reserve Board should be paid from the funds of the Board, and the preparation of rules to govern the same, were on motion, referred to a special committee consisting of Mr. Delano and Mr. Warburg.

The Secretary of the Board having presented a letter from Counsel with reference to the eligibility of Governor Seay of Richmond as director of the Bank of Richmond, it was on motion, voted that a redraft be made informing the bank that it is supposed that the holding of the governorship would preclude the possibility of a director<sup>?</sup> representing commercial or industrial pursuits.

A letter from Federal Reserve Agent Ingle, with reference to the date from which bank dividends shall be computed, was on motion, referred to Counsel.

A memorandum from Counsel with reference to the method of accounting for Redemption Fund moneys held by the Treasurer of the United States on behalf of Federal reserve banks, was read and noted.

A telegram from Federal Reserve Agent Perrin respecting the date for a meeting of reserve agents having been read, it was on motion, voted that the date

for this conference be fixed for the first Thursday in November, (November 4), the place of meeting to be Washington, and that it be suggested to the reserve agents that they prepare a careful programme in advance.

The Secretary of the Board called attention to a circular recently sent out by Mr. Gordon Jones, a director of the Federal Reserve Bank of Kansas City, accompanied by a letter to the Board. The letter and circular were noted and ordered filed.

The Secretary of the Board called attention to a letter of application from Mr. W. H. Winants for appointment as Deputy Federal Reserve Agent at Kansas City. The application was noted and ordered filed.

The Secretary of the Board having asked for the release of an opinion of Counsel of June 28, relative to the conduct of Federal reserve agents, and also a letter of September 25, addressed to assistant treasurers with reference to the form of gold order certificates, it was on motion, agreed that the opinion and letter be released and distributed to reserve agents.

Mr. Warburg, to whom had been referred the opinion of Counsel relative to the limit of liability of a single acceptor, reported favorably to the opinion with a slight modification. On motion it was agreed that the opinion as thus changed be transmitted to Federal Reserve Agent Curtiss who had made inquiry concerning the point at issue; but that it should not be published until further notice.

On motion at 1:00 p. m. the Board adjourned to meet on Thursday, October 7, at 11:00 a. m.

J. P. Keenan  
Secretary.

APPROVED:

C. S. Taublin  
Chairman.