

At a special meeting of the Federal Reserve Board held in the office of the Board on Friday, January 8 at 3.00 p. m.

PRESENT:

Mr. Hamlin, presiding,	Mr. Warburg
Mr. Delano	Mr. Harding
Mr. Williams	Mr. Miller
Mr. Willis, Secretary.	

The minutes of the preceding meeting were dispensed with.

On motion of Mr. Harding the following applications of National banking associations for increase in capital stock, same having previously been approved by the Comptroller, were voted by the Board:

Harpeth National Bank	Franklin, Tenn.
First National Bank	Batesburg, S. C.
Citizens National Bank	Oconto, Wis.
Lincoln National Bank	Lincoln, Ill.

A telegram from Governor Wold of the Federal Reserve Bank of Minneapolis requesting changes in rates of discount was approved, as follows:

4 $\frac{1}{2}$ % for maturities up to 30 days; 5% for maturities from 30 to 60 days; 6% for longer maturities.

An application from Federal Reserve Agent Perrin of the Federal Reserve Bank of San Francisco proposing changes in

discount rates were approved, as follows:

4% for maturities up to 30 days; 5% for maturities from 30 to 60 days; 5½% for maturities from 60 to 90 days 6% for longer maturities.

Mr. Miller laid before the Board a letter received from Federal Reserve Agent Martin respecting the selection of a deputy Federal Reserve Agent for the Federal Reserve Bank of St. Louis, and a general discussion ensued.

A letter from Federal Reserve Agent Curtiss of Boston, proposing certain salaries for employees at the Federal Reserve Bank of Boston, was presented to the Board and on motion the salaries were approved upon recommendation of the Committee on Staff.

A letter from Federal Reserve Agent J. Z. Miller, jr., regarding attendance on an approaching meeting of Governors was referred to Mr. Delano for action.

A letter written by Governor McCord of the Federal Reserve Bank of Atlanta to the Fourth First National Bank of Nashville, Tenn., was referred to sub-Committee B of Standing Committee #3.

A letter from Governor Aiken of the Federal Reserve Bank of Boston relating to the determination whether a given acceptance actually grows out of exportation and importation of goods was read and Governor Aiken's suggestion

was approved.

A letter from Governor Aiken relating to the acceptance question was presented and the Secretary was directed to inform him that the letter referred to would be dealt with when regulations on acceptances were issued.

On motion, it was voted to include in the annual report under the head of "Salaries of officers of Banks," only the salaries of Governors, with an explanation stating that the reasons for not including the salaries of all officers are that the full list is not approved in every case, due to the fact that organization is not complete.

On motion, the salary of \$6,000 for the Deputy Governor of the Bank of San Francisco, recommended by Federal Reserve Agent Perrin, was approved.

A letter from Federal Reserve Agent Perrin relating to the question of shipping National bank notes to the Treasury was referred to Standing Committee No. 7.

A communication from Governor McCord of the Federal Reserve Bank of Atlanta relating to loans on phosphate rock paper, was referred to sub-Committee B of Standing Committee #3.

A telegraphic application of the State Bank of Hamlin, Texas, was approved, subject to examination by Chief

of Division Broderick.

On motion, it was voted that it is the sense of the Board that as things stand, any State bank which conforms to the regulations of the Organization Committee and which is willing to conform to such regulations as may be made by the Board in the future, may enter the system without further delay. It was voted that the question of formulating a statement representing the Board's position on this subject be referred to Mr. Harding.

The Secretary of the Board having presented letters from certain banks to the effect that they are themselves under no obligation to supply duplicates of their report to Federal Reserve Agents, it was voted that the Secretary say to such banks that the Comptroller of the Currency has instructed the sending of this report to such agents.

On motion, the draft of a letter advising Federal Reserve Agent Perrin that the Board would not authorize the exchange of 2% for 3% bonds at the present time, was approved.

The Secretary of the Board presented the opinion of Counsel relative to interpretation of Section 19 of the Act, and on motion it was ordered that this opinion be mimeographed and distributed to all members.

After discussion of the opinion of Counsel relative to the salary of Deputy Federal Reserve Agent La Monte of the Federal Reserve Bank of Philadelphia, it was voted that he should receive only the regular director's fee unless continuously engaged at the bank.

Mr. Harding reported to the Board the results of a conversation with the committee representing the Federal Reserve Bank of Richmond relative to salaries at the Bank of Richmond, stating that they had agreed to reformulate their views and resubmit them in writing.

The draft of a letter to Governor Seay of the Federal Reserve Bank of Richmond relating to certain questions put by him respecting the treatment of stock subscriptions of certain consolidating banks was approved.

The Secretary of the Board was directed to advise Mr. Allen Hollis that his letter regarding directors' fees at the Bank of Boston will receive thoughtful study.

Draft of a letter to Federal Reserve Agent Miller relating to deposit of Indian funds in member banks, was approved.

On motion it was voted that the Secretary have prepared a digest of letters and communications relating to clearings, same to be referred with the original communications, to the Committee on operation of Reserve Banks.

A letter from Federal Reserve Agent Perrin with reference to the method of auditing the books of the reserve Agent of the Bank of San Francisco was referred to Standing Committee #2.

The Comptroller having informed the Board that certain banks are indisposed to make known their salary lists to Federal reserve banks, it was voted that the Board does not request that such information be furnished by member banks to reserve banks in those cases where there is any objection.

Draft of a letter prepared by the Secretary of the Board for transmission to Johnson Myers in answer to certain questions put by him was approved.

A letter from Federal Reserve Agent Austin relative to reports of member banks was referred to Chief of Division Broderick for report, Mr. Warburg being requested to communicate with Mr. Austin on the subject.

A report prepared by Messrs. Harding and Delano relative to endorsement of paper turned over to Federal reserve agents by Federal reserve banks having been presented to the Board, was approved. The Secretary was directed to send it to Mr. D. C. Wills and Secretary J. F. Curtiss, with a request for any further suggestions that might occur.

An opinion of Counsel to the Board relating to the interpretation of Section 16 of the Act having been presented, it was moved that this be referred individually to each member of the Board.

The Secretary of the Board was directed to have mimeographed and distributed to the members, the opinion of the Counsel relating to certain phases of the clearing question under the Act.

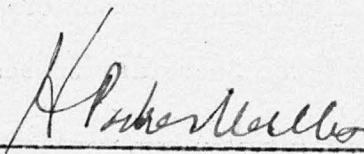
A letter from Federal Reserve Agent Curtiss on registration of paper was referred to Mr. Warburg, Chairman of sub-Committee B, Standing Committee #3.

Mr. Delano reported to the Board results of the recent test of candidates for employment by the Board and on motion it was referred to Standing Committee #1, sub-Committee A, Organization and Staff.

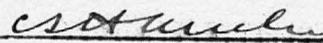
A letter from the State National Bank of Texarkana, Arkansas, accompanied by an opinion of Counsel relative to the amount of reserves required to be carried by banks in reserve banks was referred to Standing Committee #3.

On motion, at 5:00 p. m., the Board adjourned to meet at 11:00 a. m. on Monday, January 11,

unless a special meeting be called for consideration
of the annual report in the meantime.


Secretary.

APPROVED:


Chairman.