

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11.15 a. m. on Thursday, July 8,

## PRESENT:

Mr. Hamlin, presiding, Mr. Williams

Mr. Delano Mr. Harding

Mr. Willis, Secretary.

The minutes of the meeting of Wednesday, July 7, were read and approved.

( On motion Mr. Delano and Mr. Harding were appointed a special committee to consider the question of framing a circular and regulations relating to open market purchases of paper by Federal reserve banks. //

An opinion prepared by Counsel with reference to the representation of the national banks of New Orleans to the board of directors of the Branch of the Federal Reserve Bank of Atlanta to be established at New Orleans, was considered, and, on motion, adopted, and its publication authorized.

The question whether national banks may undertake to renew bankers acceptances at maturity for a further period, was taken up for discussion, and Counsel of the Board, upon request, outlined the present legal situation as to

acceptances. On motion Counsel was requested to prepare an opinion on the question at issue. It was understood that he would obtain from Mr. Warburg, now in New York City, the exact facts as to the points on which the national banks that are raising the question, wish to inform themselves.

A letter from Homer W. Johnson of Sioux City, Iowa, forwarded by Secretary of the Treasury McAdoo, was read to the Board, and on motion, the Governor was requested to write a suitable reply.

The application of the Greylock National Bank of Adams, Mass., for reconsideration of its application for power to act as executor, trustee, etc., was, on motion, referred to the Committee on State banks.

On recommendation of Mr. Harding, to whom the matter had been referred, the application of the First National Bank of Portland, Oregon, for permission to accept bills growing out of importations and exportations to an amount equal to 100% of its capital and surplus, was approved.

A letter to Federal Reserve Agents, presented by Mr. Delano, making inquiry regarding their progress in developing the intra-district clearance system, was read

and approved.

A letter from Federal Reserve Agent Miller regarding the purchase and sale of domestic exchange by Federal reserve banks in trade with non-members, was referred to the Executive Committee of the Board for consideration and report.

Various letters from the Federal Reserve Bank of San Francisco regarding conditions at that institution, were called to the attention of the Board, by the Secretary, and noted.

In answer to a letter from the Federal Reserve Agent at San Francisco regarding the prepayment of rediscounts before maturity, the Secretary was directed to ascertain what is the custom among the larger national banks of San Francisco, indicating that the Board is disposed to follow the prevailing practice.

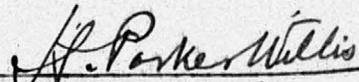
An inquiry respecting the salary of Mr. Claud Gatch, Deputy Federal Reserve Agent at San Francisco, was laid on the table until after the proposed meeting of examiners on July 12.

On motion the First National Bank of Nara Visa, N. M., which, by mistake, had been allowed to

take out stock in the Federal Reserve Bank of Kansas City, was ordered transferred to the Federal Reserve Bank of Dallas, its location being such as to dictate this action. The Secretary was directed to write to Federal Reserve Agent Miller to have the proper applications filled out.

The Secretary called attention to communications from several Federal Reserve Banks recommending the continuance of the same discount rates as heretofore, and stating that no applications for changes had been made.

On motion at 12.30 p. m. the Board adjourned to meet at 11.00 a. m. on Friday, July 9.

  
Secretary.

APPROVED:



Chairman.