

At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, September 1, at 11.30 a. m.

PRESENT:

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

Mr. E. O. Tenison, Federal Reserve Agent at Dallas, Texas, was present, by invitation, for an informal conference with the Board.

The question of the purchase of the building recently arranged for by the Governor and Board of Directors of the Federal Reserve Bank of Dallas, the same being intended as an office for the bank, was considered, and Mr. Tenison presented various documents and correspondence relating to the matter, including communications from Deputy Federal Reserve Agent McCaleb. Mr. Tenison was asked to make an official report thereon immediately upon his return to Dallas and the Governor was asked to send a letter making the request.

On motion applications for Federal reserve notes, duly recommended by the committee on Issue and Redemption

were approved as follows:

Federal Reserve Bank of Minneapolis, \$1,000,000

in the following denominations:

\$5	\$520,000
10	320,000
20	160,000

Federal Reserve Bank of Richmond, \$1,300,000 in

the following denominations:

\$5	500,000
10	400,000
20	400,000

The Secretary of the Board presented a letter from Governor Strong of New York with reference to the scope of the duties, corresponding to those performed by reserve agents in cities at the present time, that may properly be performed by Federal reserve banks after the expiration of the period for the transfer of reserves from national to reserve banks. On motion the letter was referred to the Committee on Operation of Reserve Banks and the Secretary was instructed to inquire of Governor Strong the date of the forthcoming conference of governors, in order that the question of having a committee of the Board in attendance, raised by Mr. Strong, might be duly considered.

The Secretary of the Board presented a letter from Governor Strong of New York relating to the question of obtaining full credit information as to member banks.

After discussion, a digest prepared by the Governor with reference to the legislative history of the examination provisions of the Federal Reserve Act, was ordered printed and the question of action on the subject was referred to the Executive Committee.

On motion the action of the Executive Committee of the Board in authorizing the order for \$10,000,000 Federal reserve notes to be printed for the Federal Reserve Bank of Minneapolis, was approved.

Letters received from Mr. Albert Badenhop, relative to difficulties in correspondence with Singapore, and other matters were ordered filed.

A letter from Mr. J. V. Robinson of Sugar Land, Texas, addressed to the Secretary of the Treasury, relative to the establishment of commodity rates, was presented to the Board and ordered filed.

The Secretary of the Board presented a letter from Mr. J. Z. Miller, Jr., accompanied by documents and reports relative to the condition of the Federal Reserve Bank of

Kansas City and its vaults. On motion the matter was referred to Mr. Broderick, with instructions to examine the same and report to Mr. Warburg and Mr. Harding as a special committee, they in turn to report to the Board.

A letter from the Federal Reserve Bank of Atlanta relative to the extension of the clearing system at that institution, was ordered referred to Mr. Harding for examination and report.

The Secretary of the Board having presented the application of the Federal Reserve Bank of Chicago for an increase in its limit on municipal warrant investments from 10% to 15% of the deposits, the matter was referred to Mr. Warburg for report.

The Secretary of the Board having presented an opinion and memorandum from the office of Counsel regarding the making of farm loans by national banks, under certain conditions, the opinion was referred to Mr. Harding for examination and his opinion thereon.

The Secretary of the Board having presented an opinion of Counsel relative to the question whether Federal reserve agents may issue reserve notes on the deposit of gold, gold certificates and lawful money

instead of commercial paper, the same was approved.

The Secretary of the Board having presented an opinion by Counsel with reference to the surrender of gold in exchange for rediscounted paper, it was ordered circulated and taken under advisement.

A letter from the Whitney Central National Bank, inquiring whether a combination of banks could, under existing law, establish a joint branch abroad, was referred to Counsel for opinion.

A ruling made by the Comptroller of the Treasury relative to the payment of expenses of members of the staff absent on vacation but called back by official duty, was referred to the Governor for further investigation.

A letter from Dr. Robert E. Wilson relative to a fee for performing an operation on Mr. H. Y. Brooke, deceased, formerly an employee of the Board, was read and the Secretary directed to answer, with the statement that the Board was unable to take any action in the matter.

A letter from Chief Examiner Broderick, relative to the proposed plan to have the Federal Reserve Bank of Chicago examined by Clearing House examiners in pursuance of a resolution of its Board of Directors, having been

presented to the Board, was referred to Mr. Warburg and Mr. Harding as a special committee, for report.

The application of Mrs. Elizabeth Blackstone for the waiving of the age limit for new employees of the Board in view of the fact that she had been employed by the Organization Committee, was referred to the Committee on Staff, for report.

The Secretary of the Board having presented a memorandum from the Counsel's office relative to the dating of permits for national banks to act as trustee, etc., it was directed that permits for supplementary powers shall be issued bearing date at the time the supplementary application is approved, the original application to remain in force in each case.

Mr. Harding presented a proposed change in the forthcoming rules relating to commodity paper, and the same was ordered taken under advisement, pending the meeting of Thursday, September 2.

The Governor of the Board presented a letter from Governor Strong of New York asking for a definite ruling as to the eligibility of bankers' acceptances taken under special contract involving the renewal of such

acceptances, and also presented a proposed amendment to Regulation J. The matter was taken under advisement, pending a later meeting. //

The Governor of the Board presented an opinion of Counsel to the effect that State banks becoming members of the Federal Reserve system can not count Federal reserve notes as reserve, even if the laws of the States in which they are organized permit such notes to be so counted. The matter was ordered taken under advisement and laid on the table until a later meeting.

On motion at 1.30 p. m. the Board adjourned to meet at 11.00 a. m. on Thursday, September 2.

H. Parker Willis

Secretary.

APPROVED:

W. H. Hamilton

Chairman.