

At a regular meeting of the Federal Reserve Board held in the office of the Board on Thursday, September 9, at 11:00 a. m.,

## PRESENT:

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

" The question of regulations as to the open market purchase of paper by Federal reserve banks, which had been set as a special order for this meeting, having been taken up for consideration, Mr. Warburg and Mr. Harding were, after discussion, named a special committee to formulate regulations on that subject, the report to be presented to the Board on Thursday, September 16, at 3:00 p. m.

Mr. McAdoo suggested that the Board should communicate with the Federal Reserve Bank of Minneapolis for the purpose of inquiring whether Government funds were needed in moving the crops of the Northwest; but after tentative consideration it was agreed that Mr. McAdoo in view of action taken in the other districts should himself put the inquiry.

The question of rates for commodity paper recurring, a letter from Governor Seay of Richmond, tentatively expressing his views and those of his Board on the subject, was read and discussed.

After further consideration of the whole subject the Secretary of the Board was directed to wire Governor Seay asking whether his letter of September 8 was in fact the action of his board on commodity paper, and if not, when the board or the executive committee of the banks would be able to take action.

The Governor of the Board presented a letter from Assistant Attorney General Warren with reference to certain inquiries presented to him as to State bank reserves carried in State banks only. The Secretary of the Board was directed to transmit the letter to Counsel for his information.

The question of depositing Federal reserve notes at the Subtreasury in New Orleans, coming up the Board authorized the transmission by the Comptroller of \$520,000 in 5's, \$320,000 in 10's and \$160,000 in 20's, Federal reserve notes, to the Subtreasury subject to later requisition in the

usual course.

The Secretary of the Board presented a letter from the Broadway Trust Company of New York with reference to the making of statements in answer to calls from the Comptroller, and suggesting that the total number of statements would be unduly great if it had to comply with both State and national calls. On motion the question of statements was referred to Counsel for examination of the law.

The application of the First National Bank of East Point, Ga. for 18 shares of stock in the Federal Reserve Bank of Atlanta was duly recommended by Mr. Harding and approved.

Applications for the surrender of stock in Federal reserve banks, duly recommended by Mr. Harding were approved as follows:

DISTRICT No.		Shares.
DISTRICT No. 5.	Southern Maryland Nat'l	La Plata, Md. 9
	American National Bank	Asheville, N. C. 111
DISTRICT No. 6.	Island City National Bank	Key West, Fla. 80
DISTRICT No. 7.	First National Bank	Metcalf, Ill. 19
DISTRICT No. 8.	Southern National Bank	Louisville, Ky. 336

<u>DISTRICT No. 11.</u>		Shares.
First National Bank	Krum, Tex.	15

Applications for the surrender of stock and the allotment of new stock to take the place thereof, owing to transfer, duly recommended by Mr. Harding, were approved as follows:

DALLAS TO KANSAS CITY		Cancellation	Allotment
First National Bank	Calvin, Okla.	18	18
City National Bank	Hobart, Okla.	21	22

On motion the application of the Federal Reserve Bank of Chicago for an increase in its power to buy municipal warrants from 10 to 15% of its deposits, was granted.

An opinion filed by Counsel with reference to the exchange of gold for eligible paper held by Federal reserve agents, was discussed, and approved, and the draft of a letter on the subject addressed to Federal Reserve Agent Ingle was likewise approved, subject to minor modifications.

An opinion of Assistant Counsel with reference to the term "outstanding" as applied to notes, was referred back to Counsel to ascertain whether he concurred with the position taken.

On motion at 1.10 p. m. the Board adjourned to meet at 11.00 a. m. on Friday, September 10.

APPROVED:

H. P. K. Collins  
Secretary.

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Chairman.