

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11.22 a. m. on Friday, September 10,

## PRESENT:

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

The minutes of the meeting of Thursday, September 9 (morning), and of the informal conference of September 9 (afternoon), were read and approved.

The Governor of the Board reported the result of a conversation between himself and Hon. Carter Glass, Chairman of the House Banking and Currency Committee, relating to acceptances, in which Mr. Glass had said that as at present advised he would not object to an amendment to the law authorizing member banks to accept documentary bills of exchange. Mr. Glass had also said, the Governor reported; that the National Bank Act should be liberalized so as to insure the conversion of State into national banks; he would also approve an amendment to the law designed to permit the establishment of branches of national banks in the cities in which such banks were situated.

On motion fiduciary powers were granted to the following banks in accordance with the recommendation of Mr. Harding:

National Manufacturers Bank	Neenah, Wis.
Greylock National Bank	Adams, Mass.
First National Bank	Odebolt, Ia.
First National Bank	Marshall, Tex.
First National Bank	Frederica, Del.
Farmers & Merchants Nat'l. Bank	Fullerton, Cal.
Citizens National Bank	Tipton, Ind.

On motion the applications of the following banks for fiduciary powers were, upon recommendation of Mr. Harding, placed upon the suspended list:

First National Bank	Conrad, Ia.
National Loan & Exchange Bank	Columbia, S. C.
First National Bank	Walla Walla, Wash.

On motion the application of the Fidelity National Bank of Spokane, Washington, for fiduciary powers, upon recommendation of Mr. Harding, was declined.

On motion applications for stock in Federal reserve banks, duly recommended by Mr. Harding, were approved as follows:

Original.

DISTRICT No. 6.

First National Bank

Tallassee, Ala. 9 Shares

DISTRICT No. 7.

First National Bank

Sheridan, Ill. 15

DISTRICT No. 8.

National Bank of Arkansas Pine Bluff, Ark. 34

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

DISTRICT No. 4.

Farmers & Merchants Nat'l. Bank Mount Morris, Pa. Shares 9

DISTRICT No. 9.

First National Bank Yates, N. Dak. 17

The report of the special committee of the Board favorable to the application of the Fruitgrowers Bank of Saugatuck, Mich. for membership and a report of the same committee favorable to the Llewelyn Bank of Llewelyn, Nebr. were presented to the Board, and, on motion, approved.

On motion an application from the Federal Reserve Bank of New York for \$2,000,000 in Federal reserve notes, duly recommended by the Committee on Issue and Redemption, was approved as follows:

\$5 denomination	\$1,000,000
10 "	1,000,000

On motion it was voted that Mr. Harding act during the absence of any member of the Committee on Issue and Redemption in the place of such absent member.

The Secretary of the Board read a telegram from Governor Seay of Richmond informing the Board that there would be a special meeting of the directors of the bank on Monday, September 13, for the purpose of considering Commodity Paper rates.

The Secretary of the Board presented various telegrams relative to commodity rates from Federal reserve agents, among them being an application on the part of Philadelphia for a 3% rate. On motion the Board voted to approve the 3% rate for Philadelphia.

The Secretary of the Board presented a letter from Mr. John H. Reynolds of Rome, Ga., protesting against the extension of the commodity rates to other than producers' paper. A formal reply was ordered sent.

The Secretary of the Board having presented a telegram relative to the conditions under which a custodian to represent him at the New Orleans Branch might be named, Mr. Harding was appointed a special committee to frame and send a telegram to Mr. Wellborn inquiring the details of the proposed plan, and indicating that it had not yet received the approval of the Board.

The Secretary of the Board read a telegram from Deputy Federal Reserve Agent McCaleb of Dallas, relative to

the proposed purchase of a bank building at Dallas. It was ordered copied, and a copy sent to Federal Reserve Agent Tenison with a request for comment thereon by wire.

Mr. Harding reported his opinion relative to the opinion of Counsel with regard to real estate loans by national banks which are already carrying real estate paper taken for debts, the report stating that the opinion of Counsel was in his opinion, correct. On motion the said opinion was approved by the Board.

Mr. Harding presented to the Board on behalf of himself and the Comptroller of the Currency, the draft of a letter addressed to Federal reserve agents describing the methods of the Board in passing upon applications for fiduciary powers. The letter was approved and ordered transmitted.

A memorandum of Chief of Division Broderick relative to the issue of gold order certificates, was read and ordered placed in the hands of Mr. Harding for consideration with Assistant Secretary Malburn at an early date.

The Secretary of the Board having presented a memorandum of the Comptroller of the Currency inquiring how long

the Board thought action of the Comptroller's office on applications for new bank charters should be held up pending the receipt of reports from Federal reserve agents, it was, on motion, voted that such report be held back 20 days in each case.

The Secretary of the Board presented a brief form of statement to be incorporated into the weekly report with reference to the effect of the new public deposits on reserve bank holdings. The statement was approved and ordered inserted.

On motion the Governor of the Board was authorized to issue through the Secretary of the Board a statement relating to the meaning and purpose of the acceptance circular of the Board.

The Secretary of the Board presented a letter from Dr. Robert E. Wilson which was received and ordered filed.

A letter from Mr. Max T. de Mattos of New Orleans, addressed to Secretary to the President Tumulty, and making complaint as to the action of Managing Director Walker of the New Orleans Branch, was read, and the Secretary of the Board was directed to send Federal Reserve Agent Wellborn an extract from the said letter in order to ascertain the

truth of the said charges.

The proposed draft of a letter addressed to the Whitney-Central National Bank of New Orleans, relative to the power of one or more national banks to establish joint branches abroad, prepared by Counsel at the request of the Board, was ordered referred back to Mr. Warburg and Counsel for further consideration.

On motion an application of the Federal Reserve Bank of New York for the approval of salary increases at that institution, was approved, the advances being as follows:

E.B.Kenzel, Assistant Cashier,	from	\$4,200	to	\$4,800
H.M.Jefferson, Auditor,	"	3,500	"	4,200
J.D.Higgins, Chief Clerk,	"	3,000	"	3,500

A communication from the Federal Reserve Bank of Atlanta relative to the collection of time drafts outside the district, was referred to Mr. Harding for study and report.

On motion the Governor of the Board was given authority to recommend any necessary changes in regard to the arrangements for the joint meeting of the Clearance Committee of reserve Agents with the Clearance Committee of Governors, which it was proposed to hold in the near future.

On motion at 1,00 p. m. the Board adjourned  
to meet on Wednesday, September 15 at 11.00 a. m.

*H. Parker Willis*  
Secretary.

APPROVED:

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Chairman.