

At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, September 15, at 11.00 a. m.

PRESENT:

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

The question of rates of discount at Federal reserve banks coming up for consideration, it was on motion voted that the following rates be approved:

For the Federal Reserve Bank of Richmond, 3% on Commodity Paper for maturities up to 90 days; $3\frac{1}{2}\%$ on Trade Acceptances up to 60 days, and 4% from 60 to 90 days.

On motion the Board voted to approve the following rates for the Federal Reserve Bank of Minneapolis:

Commercial Paper 60 to 90 days, $4\frac{1}{2}\%$

On motion the Board voted to approve the following rates for the Federal Reserve Bank of St. Louis:

Commercial Paper, maturities up to 90 days, 4%;
Trade Acceptances up to 90 days, $3\frac{1}{2}\%$.

The Secretary of the Board presented a communication from the Federal Reserve Bank of San Francisco, naming rates as follows:

COMMODITY PAPER

$3\frac{1}{2}\%$	to		30 days
4%	"	30 to	60 "
$4\frac{1}{2}\%$		60 "	90 "
5%		o v e r	90 "

The Secretary of the Board presented a telegram from Mr. A. C. Miller, member of the Board, explaining the action of the Board of directors of the Federal Reserve Bank of San Francisco. General discussion of the rates thus named ensued. It was finally agreed to suspend action on the rates named by San Francisco, pending the arrival of a statement of reasons for their action, prepared by the board of directors of the San Francisco bank, to which reference was made in the telegram announcing the action taken.

It was the sense of the Board expressed without prejudice to the action of Mr. Miller in this particular instance, that, in general, it was inadvisable that members of the Board should meet with boards of directors of Federal reserve banks on occasions when action taken by the Federal Reserve Board or recommended by it, was under consideration, without the express authority of the Board.

The Secretary of the Board having read letters from the Federal Reserve Banks of Minneapolis, Cleveland, Boston,

Chicago and Kansas City relative to the question of Commodity Rates, all either deferring action or disapproving it, it was agreed that all the Federal reserve banks which have not taken action on the question of rates for Commodity Paper, should be asked to send a full statement expressing more completely the reasons for their attitude.

A memorandum prepared by Mr. Warburg with reference to the suspension of the issue of small gold certificates having been discussed, Mr. McAdoo undertook to secure consideration of the matter in conjunction with Assistant Secretary Malburn, and report back to the Board.

On motion it was voted that a Comparative Digest, prepared by Mr. Hamlin for the use of the Board, contrasting the provisions of the Aldrich Bill and the Federal Reserve Act, should be mimeographed.

The Secretary of the Board having presented a file of papers relating to the purchase of a bank building at Dallas, Texas, the whole subject was referred to Mr. Warburg and Mr. Harding as a special committee, with request that they report back to the Board at an early date.

The Secretary of the Board presented a letter from the Secretary of the Advisory Council informing the Board

that the Executive Committee of the Council would meet in New York on the 20th instant, and the Council itself in Washington on the 21st.

The reports of Chief of Division Broderick on the condition of Federal reserve banks, and on the accounts of Federal reserve agents, were referred to the Committee on Audit and Examination, to pass first through the hands of the members to whom these banks have been specially assigned.

On motion an application of the Federal Reserve Bank of Philadelphia for an issue of Federal reserve notes aggregating \$800,000, duly recommended by the Committee on Issue and Redemption, was approved as follows:

\$20 denomination \$800,000

On motion the application of the Jefferson National Bank of Charlottesville, Virginia, for power to exercise the functions of trustee, executor, administrator and registrar, duly recommended by Mr. Harding and Mr. Williams, was approved.

The Secretary of the Board having presented a letter from Hon. J. H. Lewis with reference to the reported proposal to obtain a loan on behalf of certain European belligerents from American banking interests, it was voted that the Governor send a suitable reply to Mr. Lewis.

The Secretary of the Board having presented letters from Federal Reserve Agent Jay and Governor Mc Dougal of the Federal Reserve Bank of Chicago, relative to proposed postponment of the meeting of the Clearing Committee of Federal Reserve Agents, it was voted that he transmit copies of these letters to Federal Reserve Agent Curtiss with request for an expression of his opinion regarding the proposal.

The Secretary of the Board read a letter from Federal Reserve Agent Jay regarding the form in which the credit reports concerning member banks are to be made by Chief Examiners and Federal Reserve Banks. The subject was discussed and Mr. Jay's letter ordered placed on file.

The application of the Federal Reserve Bank of Cleveland for power to buy the whole of an issue of \$350,000 of municipal warrants to be issued by the City of Toledo was discussed and on motion it was voted that the Bank of Cleveland be authorized to purchase not to exceed one-half of the issue.

A letter from Deputy Federal Reserve Agent McCaleb as to the attitude of the Federal Reserve Board respecting the rediscount of paper for members, with State Bank endorse-

ment, was referred to Mr. Harding for consideration and report.

The Secretary of the Board presented a letter from Federal Reserve Agent Curtiss inquiring the policy of the Board in calling for statements from State member banks, and also an opinion of counsel to the effect that such members must report to the Comptroller. He was directed to say to Mr. Curtiss that the Board's view is that where the State and National reports fall on the same day, the State member banks may simply mail a duplicate copy of their regular report duly sworn to, to the Comptroller, but where they fall on separate days, the law will require that a special report to the Comptroller shall be made.

Correspondence relating to the establishment of the New Orleans branch of the Federal Reserve Bank of Atlanta, including the proposed pay-roll for same and the minutes of the first meeting of the Board of Directors, were referred to Mr. Harding for report.

On motion an additional printing of six million dollars of Federal reserve notes for the Federal Reserve Bank of Atlanta as follows:

\$5 denominations		\$2,800,000
10	"	1,600,000
20	"	1,600,000

was authorized by the Board, subject to the approval of the Committee on Issue and Redemption.

The Secretary of the Board read a resolution relating to the establishment of accounts for Federal Reserve Agents under the Gold Settlement Fund, and on motion the same was referred to Counsel.

The Secretary of the Board presented a new form of requisition for notes for delivery to branch Federal Reserve Banks and on motion the same was referred to counsel and Comptroller of the Currency for their approval.

The Governor of the Board suggested the advisability of including in the weekly report of operations, detailed figures regarding the amount of United States notes, silver and other forms of money held by Reserve Banks. The Secretary of the Board was directed to investigate the matter in conjunction with Chief of Division Broderick and report back.

Upon recommendation from Chief of Division Broderick regarding the funds held by the Treasurer of the United States for the Banks of Cleveland and Chicago, the matter was referred to Mr. Elliott.

