

At a regular meeting of the Federal Reserve Board held in the office of the Board on Thursday, September 30, at 10 a. m.

PRESENT:

Mr. Delano, presiding Mr. Warburg

Mr. Williams Mr. Harding

Mr. Willis, Secretary.

The minutes of the meeting of Tuesday, September 28, were read and approved.

The minutes of the conference with the Federal Advisory Council of September 21, which had been referred to Mr. Harding, were favorably reported, and on motion approved.

Letters from Federal Reserve Agents Bosworth and Rich relative to the proposed commodity paper rate, were read, and on motion, the same were referred to the special Committee on Inter-bank Rediscount Rates and Government Deposits.

The question of granting a hearing to representatives of certain banks in Louisiana which had applied for transfer from the eleventh Federal reserve

district to the sixth Federal reserve district having been taken up, Mr. Harding informed the Board that a committee representing the Louisiana bankers had this morning called upon him asking for information concerning the intentions of the Board. Counsel for the Board was called into consultation and requested to examine the papers in the case, and report whether or not the applications and other documents are in due form. The question was made a special order for the meeting of Monday, October 4.

Certain details regarding the method of electing directors at Federal reserve banks were discussed with Counsel, but no change in existing instructions on that subject was ordered.

On motion letters from Federal Reserve Agent Jay and Mr. Starek relating to the furnishing of information concerning the condition of certain New Jersey banks which are applying for fiduciary powers, were withdrawn from the Committee on State Banks and Audit and Examination, respectively, and were referred to a special committee consisting of Mr. Delano, chairman, Mr. Harding and Mr. Williams, for report.

The Secretary of the Board presented the regular weekly discount rate notices, stating that no changes had been requested so far as advised up to the present time. The notices were ordered filed.

The Secretary of the Board read a letter from Deputy Federal Reserve Agent McCaleb in answer to the reprimand recently sent him by the Board. The letter was noted and ordered filed.

Mr. Harding having presented a report relative to the question of permitting the Hibernia Bank and Trust Company of New Orleans to rediscount with the New Orleans Branch of the Federal Reserve Bank of Atlanta, the report was, after consideration, laid on the table until the next meeting of the Board.

Mr. Harding presented a report relative to the Kansas City-Dallas exchange controversy, giving the terms of an agreement arrived at between the Governors of the respective banks at their meeting on Tuesday, September 28. The agreement was noted and ordered filed. On motion the special committee in charge of the matter was discharged from duty.

Additional communications from the South

Bend National Bank regarding certain bond holdings, having been presented to the Board, the letters were on motion, referred to Counsel, who was already in possession of other documents on the same subject, with request for an early report.

The Secretary of the Board presented a letter from Federal Reserve Agent Jay in answer to the Board's tentative appointment for discussion of the commodity rate question, deferring action on the same. The letter was noted and ordered filed.

In answer to an application from the Federal Reserve Bank of Philadelphia for permission to purchase \$150,000 of Atlantic City warrants, the Secretary was instructed to telegraph the Board's consent.

The Secretary of the Board read a letter from Federal Reserve Agent Rich relating to non-acceptance by representatives of the Treasury Department of checks on Federal reserve banks. On motion it was voted that the chairman should call the attention of the Secretary of the Treasury to the facts of the case.

On motion the draft of a letter to Federal Reserve Agent Tenison relating to the use of Federal reserve notes as means of payment of the next instalment of reserves by member banks, was approved and ordered transmitted.

The Secretary of the Board having read a letter from Federal Reserve Agent Rich relating to a prospective meeting of Federal reserve agents, and asking that it be deferred beyond the middle of October, was instructed to say that the meeting will not be held before the first of November.

The Secretary of the Board presented a further inquiry from the German-American Chamber of Commerce, in the form of a telegram addressed to the Secretary of the Treasury, and was instructed to ascertain whether the Secretary desires to have the Board answer it officially on his behalf. The Secretary of the Board also presented a letter from Federal Reserve Agent Jay relative to the undertaking of an inquiry into the German-American Chamber of Commerce.

On motion the application of the Federal Reserve Bank of Atlanta for an issue of Federal re-

serve notes amounting to \$1,400,000, duly recommended by the Committee on Issue and Redemption, was approved as follows:

| | |
|------------------|-----------|
| \$5 denomination | \$600,000 |
| 10 " | 400,000 |
| 20 " | 400,000 |

Mr. Warburg reported informally the results of a conversation he had had with Governor Rhoads of Philadelphia relative to the status of Director Murphy of that institution. He stated that Governor Rhoads strongly desired the retention of Mr. Murphy, and that, in the opinion of Counsel, such retention is entirely in accord with law. On motion the Secretary was instructed to communicate officially with Governor Rhoads saying that the continuance of Mr. Murphy in office would not be objectionable to the Board.

The Secretary of the Board read a letter from Federal Reserve Agent Martin relative to the substitution of gold for United States notes at St. Louis. The letter was noted and ordered filed.

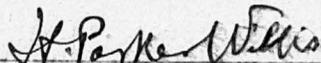
Mr. Harding asked that he be formally released from membership on the Committee on Inter-bank Rediscount Rates and Government Deposits. On motion his request was

granted.

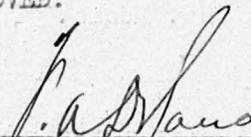
A telegram from Deputy Federal Reserve Agent Ramsey of Kansas City, calling attention to his resignation, having been presented to the Board by the chairman, the Secretary was instructed to telegraph Mr. Ramsey accepting his resignation as at close of business this day.

It was informally agreed that Mr. Harding should as early as possible ascertain the status of affairs at Kansas City with reference to the possible appointment of a successor to Mr. Ramsey.

On motion at 12:15 p. m. the Board adjourned to meet on Monday, October 4, at 11:00 a. m.


Secretary.

APPROVED:


Chairman.