

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11.45 a. m., on Monday, October 4,

PRESENT:

Mr. Delano, presiding Mr. Warburg

Mr. Williams Mr. Harding

Mr. Willis, Secretary.

The minutes of the meeting of the Board of September 30 were read and approved.

The minutes of the Executive Committee meeting of October 2 were read and approved, and the actions therein taken ratified.

The minutes of the meetings of September 2d and 3d were laid on the table.

A letter from Deputy Federal Reserve Agent McCaleb relative to the status of the Texas City National Bank in regard to its application for fiduciary powers was read, noted and ordered filed.

The question of the control of Federal reserve notes deposited in the subtreasury at New Orleans, which had been made a special order for this meeting, was on motion laid on the table.

A report made by Federal Reserve Agent Bosworth of Chicago, relative to certain charges preferred by A. W. Green against the firm of Armour and Company, was read to the Board.

Mr. Williams moved that Mr. Bosworth be asked to make a supplementary report, giving the result of a consultation to be held with Mr. Green. Mr. Delano offered as a substitute a motion to send the papers in the case to Mr. Miller, a member of the Board, now in Chicago, for investigation. The motion was lost.

Mr. Harding moved to refer the papers back to Mr. Williams. On being put to vote, the motion prevailed, and the papers were ordered so referred. Mr. Williams was recorded as not voting.

The Secretary of the Board was directed to acknowledge Mr. Bosworth's report, and to say that no further action is contemplated at present.

On motion applications for Federal reserve notes, duly recommended by the Committee on Issue and Redemption, were approved as follows:

For the Federal Reserve Bank of Dallas -

\$1,460,000. in the following denominations:

\$5 denomination	\$500,000
10 "	480,000
20 "	480,000

For the Federal Reserve Bank of Minneapolis,

\$2,000,000 in the following denominations:

\$5 denomination	\$1,000,000
10 "	600,000
20 "	400,000

The Secretary of the Board presented a memorandum from Counsel relative to the question of hearings in the case of certain Louisiana banks which had applied for transfer from the Dallas to the Atlanta district.

General discussion of the power of the Board to "review" the work of the Organization Committee, and of its general power to "readjust" Federal reserve districts, ensued. On motion the whole subject was made a special order for the next meeting of the Board, it being understood that the Governor should be asked to draft a letter to the Louisiana banks for submission to the Board, expressive of its view of the situation.

A report submitted by Federal Reserve Agent Jay regarding the German-American Chamber of Commerce

and its secretary, was referred to the Executive Committee of the Board with instructions to consult with Counsel and transmit a suitable answer.

The question of authorizing rediscounts at the New Orleans Branch on behalf of the Hibernia Bank and Trust Company, of New Orleans, was laid on the table until a fuller meeting of the Board.

On recommendation of the Committee on Staff, the salary of Mr. J. V. Shea was advanced from \$60 to \$65 per month, the increase to be effective as of this date.

On motion it was voted, in accordance with the previous action of the Board, that the service of William C. Evans, Jr., a messenger employed by the Board, be terminated on November 1, without prejudice.

On motion rates of discount named by Federal reserve banks were approved as follows:

For the Federal Reserve Bank of Kansas City, commodity paper 3%, effective October 4th.

For the Federal Reserve Bank of Cleveland,

trade acceptances $3\frac{1}{2}\%$ up to 60 days, and 4% from 60 to 90 days, effective October 7th.

A letter from the Federal Reserve Bank of San Francisco with reference to the general question of rates on commodity paper, was referred to Mr. Delano and Mr. Warburg as a special committee, with instructions to report on the same.

A letter from Deputy Federal Reserve Agent McCaleb relative to the Central State Bank and Trust Company's application for admission to the system, was laid on the table pending the receipt of a letter from the president of that company.

An opinion of Counsel with reference to the legal status of the request of the South Bend National Bank that the Board arbitrate between it and the Comptroller of the Currency, was referred to a special committee consisting of Mr. Warburg and Mr. Harding for report.

On motion the reports of the Committee on State Banks recommending the non-admission of the Bank of Sumter, S. C., and the admission of the Commercial Trust and Savings Bank of Joliet, Ill., and

the admission of the Bank of Hartsville, S. C., were approved, it being understood that the general conditions relating to the status of branches imposed upon all applying banks, should also be applied where applicable in the case of the two banks whose admission was authorized.

The question of appointing a committee to attend the meeting of the Governors of reserve banks at Minneapolis, was laid on the table pending a fuller meeting of the Board.

On motion the opinion of Counsel relative to the limit of liability of banks as acceptors on behalf of any one person, was referred to Mr. Warburg for report.

A letter from Honorable W. R. Smith, addressed to Secretary McAdoo, relative to methods of making cotton loans, was read to the Board, and on motion ordered referred back to the Governor of the Board, at whose direction it had been presented.

A letter from Federal Reserve Agent Ingle asking for more complete definition of farm land loans, was referred to Mr. Harding for consideration and report.

A letter from Federal Reserve Agent Perrin respecting the method of passing upon applications of organizing national banks, was read to the Board, and its contents noted.

A letter from Mr. J. T. Carroll, addressed to the Secretary of the Treasury, relative to the best method of meeting the requirements of the farmers in the Minneapolis district, was ordered referred to Federal Reserve Agent Rich for report.

The Secretary of the Board read to the Board certain resolutions recently adopted by the National Association of Credit Men, and was directed to acknowledge the same with thanks.

The Secretary of the Board read a letter of inquiry from Governor Rhoads of Philadelphia, relative to the question of getting the Treasury Department to issue interim certificates for new thirty-year 3% bonds. On motion the matter was referred back to Mr. Warburg for such action as he may deem best.

The form of a letter prepared by Counsel with reference to Mr. L. V. Leighton relative to the use of the word "Federal" by State institutions, was

approved and its transmission ordered.

The Secretary of the Board presented a request from the United Press for a statement regarding existing conditions in the stock market. The matter was laid on the table without action.

On motion at 1:30 p. m. the Board adjourned to meet at 11:00 a. m. on Wednesday, October 6,

H. Parker Willis
Secretary.

APPROVED:

J. Adams
Chairman.