

At a regular meeting of the Federal Reserve Board held in the office of the Board on Thursday, October 7, at 11:00 a. m.,

PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Willis, Secretary.

The minutes of the meeting of October 6th were read and approved.

A letter from Mr. L. L. Henderson, President of the Central State Bank and Trust Company of Dallas, Texas, regarding the conditions named by the Board for the admission of his institution, was read, and on motion it was voted that the letter is satisfactory, and that the Central State Bank and Trust Company shall be deemed duly admitted to membership.

A report of the special committee directed to investigate the application of the South Bend National Bank for arbitration, and Counsel's opinion with respect thereto approving the position taken by the Comptroller, were read and adopted; and the Secretary was directed to write the South Bend National Bank accordingly.

The Governor of the Board presented the draft of a letter to all Federal reserve agents relating to the compensation of deputy Federal reserve agents only when their services are called for by the reserve agents or by their Boards of Directors. The letter was approved and ordered transmitted.

The Secretary of the Board read a letter from Secretary of the Treasury McAdoo, transmitting a copy of a letter sent him by the President, in which the President endorsed the proposal for joint foreign agencies of reserve banks in South America, put forward in the Secretary of the Treasury's report on the Pan-American Conference.

Letters and papers connected therewith were referred to a special committee consisting of Mr. Delano, Mr. Harding and Mr. Warburg, with instructions to bring the subject before the Board as soon as it appears possible to have a full meeting. It was further understood that the question should be placed before the Conference of Governors and the Conference of Federal Reserve Agents shortly to be held, for their consideration, provided that such reference meets with the approval

of the Secretary of the Treasury.

A letter from Secretary of the Treasury McAdoo relating to the proposed amendment to the Federal Reserve Act proposed by Honorable W. R. Smith of Texas, and asking the Board's views on the same (the amendment in question being the addition of the word "notes" in Section 14), was referred to the Executive Committee for report.

A letter from Federal Reserve Agent Jay, stating the willingness of the Board of Directors of the Federal Reserve Bank of New York to rediscount commodity paper for other reserve banks, was read and noted.

The Secretary of the Board called attention to the usual weekly discount rate notices received from seven Federal reserve banks, noting the fact that no changes had been recommended. The notices were ordered filed.

A letter from Governor Alken of Boston regarding the purchase of town notes of Massachusetts, and recommending a relaxation of regulations regarding the same, having been read, it was voted to refer the sub-

ject to a special committee consisting of Mr. Delano, Mr. Warburg and Mr. Harding, for investigation and report.

The Secretary of the Board read a letter from Assistant Secretary of the Treasury Malburn, relating to certain newspaper statements and letters, recently made by Treasurer Burke. The communication was noted and ordered filed.

The draft of a letter to the German-American Chamber of Commerce prepared by Mr. Hamlin in response to the direction of the Board, was read, and on motion referred to Mr. Warburg and Mr. Delano as a special committee.

A copy of a proclamation relating to State bank reserves in South Dakota, transmitted by Assistant Attorney General Warren, was referred to Counsel for comment as to whether it involves any discrimination against member banks.

A letter from Deputy Federal Reserve Agent Gatch of San Francisco regarding the grouping of member banks for electoral purposes, having been read, the Secretary was instructed to respond after consul-

tation with Counsel.

An opinion of Counsel relating to cotton warehouse receipts issued by the Sumter Cotton Warehouse Company, was read, and on motion ordered transmitted to Federal Reserve Agent Ingle, to be by him conveyed to inquirers, and to take such action thereon as he may deem best.

The Secretary of the Board presented an opinion of Counsel relative to the question of taxation of stock in reserve banks by States, and a letter from a Chicago law firm on the same subject. On motion it was voted that the Secretary transmit to the law firm a former opinion of Counsel without further comment.

On motion the Secretary of the Board was authorized to employ a messenger for a period not to exceed sixty days, to perform the service now rendered by messengers who will be absent on leave.

A letter from President J. B. Forgan of the Advisory Council relative to fees of directors of member banks, was on motion, referred to Counsel for an opinion.

The Secretary of the Board having read a letter from Mr. F. T. Kaulitz, addressed to the Secretary of the Treasury, and by him referred to the Board, was instructed to prepare a suitable reply and transmit it.

On motion at 12:30 p. m. the Board adjourned to meet on Friday, October 8, at 11:00 a. m.

J. Parker Willis
Secretary.

APPROVED:

C. Stambler
Chairman.