At a regular meeting of the Federal Reserve Board held in the office of the Board on Tuesday, October 12, at 11:30 a.m.,

PRESENT:

Mr. McAdoo, presiding Mr. Warburg
Mr. Williams Mr. Harding
Mr. Delano Mr. Miller
Mr. Willis, Secretary.

The minutes of the meetings of the Board of Friday, October 8, were read and approved.

It being informally agreed to take up the report of the Committee on Foreign Agencies as the first business of the day, the report was read by the Secretary.

Mr. McAdoo briefly reviewed the report, expressing his opinion as to the various points contained in it, and noting certain particulars in which he differed from the ideas expressed.

He laid particular stress on the significance of the South American trade situation, and upon the necessity of helping to provide better means of facilitating trade between the United States and South American
countries. He expressed himself as in general agree-
ment with the conclusion of the report, although tak-
ing exception to sundry statements. The Secretary
stated in effect that it seemed to him that the Com-
mittee's report had been based upon a misinterpreta-
tion and a misconception of the views and recommenda-
tions set forth in his report to the President on the
Pan-American Conference, and he pointed out to the
Committee the respects in which his report had been
apparently misunderstood by the Committee. He sug-
gested a reshaping of the report of the Committee, so
as to lay stress upon the proper means of meeting the
needs of the South American trade, pointing out such
legislation as might be required to enable national
banks to do the business, and expressing a readiness
to join the Board in formulating a thorough report
covering the whole ground, and meeting the situation
as fully as possible. Mr. McAdoo further states that
the recent publication of the correspondence between
the President and himself on the foreign agency ques-
tion, had been without intent to complicate the situa-
tion in any way.
On motion it was voted to recommit the Committee's report to the committee which had had it in charge, with the understanding that the subject should be presented to the Conference of Governors and the Conference of Reserve Agents at their approaching meetings, and that then the Board should proceed, with the Secretary of the Treasury, to the formulation of a final report. On motion it was agreed that a statement expressing the sense of the Board in the matter, and giving briefly the gist of the morning's action, should be issued to the press.

Mr. Miller was recorded as voting in the negative, stating that the report in his opinion should be adopted and the committee ordered to make a fuller study and report.

Mr. McAdoo appointed Mr. Delano, Mr. Warburg and Mr. Harding a committee to draft the statement as agreed upon.

On motion applications for power to exercise fiduciary functions, were on recommendation of the committee in charge, acted upon as follows:

First National Bank, Ontario, Oregon.
Nevada National Bank, Tonopah, Nev.
McDowell National Bank, Sharon, Pa.

The following applications were held for further consideration:

First National Bank, Walla Walla, Wash.
First National Bank, Tillamook, Oregon.

The following applications were refused:

First National Bank, Elgin, Oregon.

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

For the Federal Reserve Bank of New York,
$2,960,000, in the following denominations:

<table>
<thead>
<tr>
<th>$5 denomination</th>
<th>$1,000,000</th>
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<tbody>
<tr>
<td>10 &quot;</td>
<td>1,000,000</td>
</tr>
<tr>
<td>20 &quot;</td>
<td>960,000</td>
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For the Federal Reserve Bank of Richmond,
$1,300,000, in the following denominations:

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<tr>
<th>$5 denomination</th>
<th>$500,000</th>
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<tr>
<td>10 &quot;</td>
<td>480,000</td>
</tr>
<tr>
<td>20 &quot;</td>
<td>320,000</td>
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For the Federal Reserve Bank of Philadelphia,
$3,200,000, in the following denominations:

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<th>$1,600,000</th>
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<tbody>
<tr>
<td>20 &quot;</td>
<td>1,600,000</td>
</tr>
</tbody>
</table>
On motion the application of the National Reserve Bank of Kansas City for power to reduce its capital from $1,200,000 to $1,000,000, duly recommended by the Federal reserve agent of the district, and by the office of the Comptroller of the Currency, subject to specified conditions, was approved, and notice ordered sent to the Comptroller.

On motion application for the surrender of capital stock in Federal reserve bank, duly recommended by Mr. Harding, was approved as follows:

DISTRICT No. 6.

Tennessee National Bank  Nashville, Tenn.  160

On motion recommendations from the Division of Audit and Examination that the Federal Reserve Board authorize the acceptance of State examinations for the Central State Bank and Trust Company of Dallas, the Bank of Hartsville, South Carolina, and the Commercial Trust and Savings Bank of Joliet, Illinois, were approved.

The Secretary of the Board having presented a report of the examination of the Federal Reserve Bank of Richmond, it was on motion, referred to Mr. Harding
for consideration.

A letter from Federal Reserve Agent Jay, relative to the programme to be adopted at the forthcoming meeting of Federal reserve agents, was on motion referred to Mr. Miller as chairman of the committee having the matter in charge, with power to act.

A letter from Federal Reserve Agent Rich, accompanied by samples of old and new notes issued by the Federal Reserve Bank of Minneapolis, and a report thereon from the Bureau of Engraving and Printing, was referred to the Committee on Issue and Redemption.

On motion certain resolutions relating to the appointment of Curtis L. Mosher, adopted by the Board of Directors of the Federal Reserve Bank of Minneapolis, was referred to Mr. Delano, for report.

On motion at 1:15 p. m. the Board adjourned to meet on Wednesday, October 13, at 11:00 a. m.

APPROVED:

Chairman.