

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:00 a. m. on Wednesday, October 13,

PRESENT:

Mr. Delano, presiding Mr. Harding

Mr. Williams Mr. Miller

Mr. Warburg Mr. Willis, Secretary.

The minutes of the meeting of October 12, were read and on motion, laid on the table until the next meeting of the Board.

Mr. Delano, on behalf of the committee named at the meeting of October 12, to formulate a statement relating to the action of the Board on foreign agencies in South America, reported that such a statement had been framed and presented to the Secretary of the Treasury, and had been approved by him, and later given to the press.

On motion an application of the Federal Reserve Bank of Cleveland for an issue of \$1,000,000, in Federal reserve notes, duly recommended by the Committee on Issue and Redemption, was approved as follows:

\$10 denomination \$400,000

\$20 denomination	\$400,000
50 "	200,000

A report presented by Mr. Harding with reference to the form of advertising to be used by member banks, was on motion, approved, subject to slight modification, and the Secretary directed to send a copy thereof to Governor Wold of Minneapolis.

The question of appointing a successor to Mr. A. E. Ramsey of Kansas City, was taken under advisement, and a letter of commendation with reference to Mr. J. D. Rising of that place received from Federal Reserve Agent Miller, together with another letter presenting certain alternative names, was read by the Secretary. On motion the question was laid on the table for the time being.

Mr. Harding informally presented to the Board the case of a State bank in Virginia which, besides engaging in banking, also acts as a fire insurance company, and which had expressed a desire to join the Federal reserve system. This raised the question whether such a bank was eligible, and it was agreed that no such institution could be considered for membership.

The Board reconsidered the draft of a letter to Heinrich Charles, Secretary of the German-American Chamber of Commerce of New York, and agreed to certain modifications therein. It was directed that the letter as thus modified should be transmitted.

On motion an opinion of Counsel relative to the reserves of State banks in South Dakota, was read to the Board and approved.

It was directed that a letter to Assistant Attorney General Warren on this subject should be transmitted if it had not already been sent.

The Secretary of the Board read an opinion of Counsel with reference to the eligibility of directors in member banks under the provisions of the Clayton Act, specifying certain restrictions. On motion it was voted that the letter be sent to inquirers who had presented the question.

The Secretary of the Board presented a memorandum from Counsel relative to the receipt of fees or compensation by directors of member banks, and was authorized to write to inquirers in accordance with Counsel's memorandum.

The Secretary of the Board having presented a letter transmitted by the Governor with reference to the proposed sale of bonds by the Mutual National Bank of Boston, was directed to refer the letter back to the Governor with the suggestion that the matter seemed to be one which should be brought to the attention of the Comptroller of the Currency rather than to the Board.

An opinion of the Attorney General holding that Federal reserve notes are non-frankable, was presented to the Board, and on motion, ordered transmitted to Federal reserve agents.

The Secretary of the Board having presented a programme of the Conference of Governors received from the Secretary of the Conference, it was on motion, voted that Mr. Harding and Mr. Warburg be requested to attend the forthcoming meeting at Minneapolis, at the expense of the Board, and that the preliminary programme of the Conference be referred to them for study, it being understood that the two members thus named are to attend the Conference as individual members, and without authority to speak for, or express the

opinion of the Board as such.

A letter from Mr. Warburg transmitting copy of an opinion from the office of the Counsel relating to the performance of certain functions by Federal reserve banks having been read, it was on motion, voted that the Secretary of the Board write to all Federal reserve banks giving the substance of that letter for their guidance.

A letter from Federal Reserve Agent Wellborn of Atlanta stating the Counsel's retaining fee at the New Orleans Branch as \$100 per annum, and giving the list of amounts in which the various employees of the New Orleans Branch have been bonded, was read to the Board, and on motion, approved, upon recommendation of Mr. Harding.

The Secretary of the Board having read a letter from Mr. P. H. Saunders addressed to Federal Reserve Agent Wellborn, and by the latter transmitted to Mr. Harding, suggesting open market transactions in State bank acceptances at New Orleans, the letter was referred to Mr. Harding and Mr. Warburg as a special committee with instructions to report at the next meet-

ing of the Board.

The Secretary of the Board having presented an opinion of Counsel with reference to the meaning of the term "unencumbered farm lands" as applied to lands possessing mineral rights, the opinion was ordered referred back to Counsel with instructions to consult with Mr. Delano.

The Secretary of the Board read a letter from Federal Reserve Agent Jay relative to the status of branches of the National City Bank in South America. The letter was noted but no action taken.

The Secretary of the Board read a memorandum prepared by Counsel relating to the election of directors of Federal reserve banks, and suggesting the transmission of a new form of sample ballot in use in New York, to other Federal reserve agents for their information. On motion the transmission of the ballot was directed.

Mr. Miller called the attention of the Board to the fact that some months ago Federal reserve agents had been requested to furnish an annual report to the Board. On motion it was voted that the Secretary of

the Board send a letter to reserve agents reminding them of their duty in the matter, and making suggestions to them with reference to the material to be included in these reports.

On motion at 1:20 p. m. the Board adjourned to meet on Friday, October 15, at 11:00 a. m.

J. P. McWillis
Secretary.

APPROVED:

J. Adams
Chairman.