At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:00 a.m. on Friday, October 15,

PRESENT:

Mr. Hamlin, presiding; Mr. Warburg
Mr. Delano; Mr. Harding
Mr. Williams; Mr. Miller
Mr. Willis, Secretary.

The minutes of the meeting of Wednesday, October 13, were read and approved.

The minutes of the meeting of Tuesday, October 12, which had been laid on the table after reading, at the meeting of Wednesday, October 13, were taken up, and the Secretary of the Board read certain suggested corrections offered by the Comptroller of the Currency. On motion the proposed corrections were ordered incorporated, and the minutes as thus corrected, were approved.

On motion the following action with reference to applications for fiduciary powers, recommended by the Committee on State Banks, was approved:
Granted:

First National Bank, Milton, Oregon.

Placed on the suspended list:

First National Bank, Junction City, Oregon.
Lumbermen's National Bank, Portland, Oregon.
First National Bank, Fordyce, Arkansas.
Second National Bank, Mechanicsburg, Pa.

Rejected:


The Secretary of the Board presented the usual weekly discount rates, and on motion, the following changes in rates were approved:

For the Federal Reserve Bank of Atlanta:

Trade acceptances, $3\frac{1}{2}$ up to 90 days.

For the Federal Reserve Bank of Philadelphia:

On Agricultural paper over 90 days, and not over 6 months, $4\frac{1}{2}$.

The special committee to which had been referred the question of regulations governing traveling expenses of members of the Board, presented a resolution relating to the same, and reported that the said resolution had been approved by the Comptroller of the Treasury. On motion the resolution was adopted and ordered spread on the minutes as follows:
RESOLVED:

Members of the Federal Reserve Board, and members of the staff of the Board, when traveling by the direction of the Board, shall be entitled to be reimbursed for actual and reasonable expenses, including transportation fares and sleeping accommodations, hotel bills and traveling expenses, expenses for subsistence not to exceed, however, the sum of $5.00 per day.

They will be expected to take receipts for hotel bills and for any extraordinary expenses necessary in connection with their duties, such receipts to be attached to certified statements of expenditures and submitted to the Committee on Budget and Expenditures for approval.

The rule in Government Departments provides that Chiefs of Bureaus are permitted to charge for a full section or a single parlor car seat, while subordinates may charge only for a berth by night or seat by day. This rule shall be followed in case of the Federal Reserve Board or its staff, unless special conditions warrant the Board in making special exceptions; for example in case of doing dictation work in transit, where paying for a compartment or drawing room may be approved.

This is the resolution as amended by Mr. W. W. Warwick, Comptroller of the Treasury.


Mr. Hamlin asked to have it noted in the minutes that on his recent trip to Indiana, the expenses of
the journey had been paid by the association at whose invitation he had appeared.

The Secretary of the Board read a letter from Mr. R. H. Malone, director of the Federal Reserve Bank of Kansas City, relative to the choice of a deputy Federal reserve agent. The letter was noted and ordered filed.

A letter from the Secretary of the Treasury relative to certain inquiries of the Farmers and Merchants Bank of Marinette, Wisconsin, as to permitted forms of advertising for member banks, was read to the Board, and noted, action having been taken at a previous meeting on this subject.

Mr. Delano presented to the Board a proposed resolution relating to the consideration of salaries of National bank examiners, and making a formal request upon the Comptroller of the Currency for access to the reports of bank examiners as to the condition of member banks. The resolution was read and discussed, and it was informally agreed to modify it in certain particulars. Mr. Delano then formally made an oral request of the Comptroller of the Currency for access to the
examiners' reports in question. Mr. Williams in reply asked to have it noted in the minutes that he had informed the Board he would be pleased to place at the disposal of any member any examiner's report in his possession, the same to be sent to the applying member's office for his information. After further discussion on the subject, the proposed resolution and the question of access to examiners' reports in general, were referred to the Committee on Audit and Examination with the informal understanding that Counsel should be consulted with reference to the legal aspects of the powers of the Board with regard to examiners' salaries, and of access to examiners' reports.

On motion an application of the Federal Reserve Bank of New York for $3,000,000, in Federal reserve notes, duly recommended by the Committee on Issue and Redemption, was approved as follows:

$5 denomination  $1,000,000
10 " 2,000,000

Mr. Warburg called attention to the fact that the Treasury had now determined to discontinue the issue
of $10 gold certificates, and so far as possible to limit the issue of $20 gold certificates, except in so far as might be necessary to issue the latter in exchange for $20 gold pieces. He suggested that it would be desirable to advise Federal reserve banks of this fact in order that they might, if deemed wise, make proper adjustment of their note orders to meet the conditions growing out of the change in policy. On motion it was voted that the Secretary should so advise the reserve agents, suggesting, however, that the action taken by the Treasury be considered confidential.

The Secretary of the Board having presented a request from Federal Reserve Agent Welborn that an additional $1,000,000 of Federal reserve notes be deposited in the Subtreasury of New Orleans, subject to the order of the Comptroller of the Currency, the Secretary of the Board was directed to transmit the request to the Acting Secretary of the Treasury with the Board's approval.

A letter from the Comptroller of the Currency with reference to the making of an additional
appointment in the Division of Issue, said appoint-
ment to be in lieu of Miss Haskins, whose resignation
had been presented, the communication was referred to
the Committee on Staff with power to Act.

A telegram from Chief of Division Broderick
conveying his recommendation with reference to the
application of the Federal Trust Company of Boston, for
admission to the system, was on motion, referred to Mr.
Warburg and Mr. Harding in consultation with the Comp-
troller of the Currency, with request that in reporting,
they submit a general recommendation covering all simi-
lar cases in which the writing off of doubtful assets
involves difficulty or embarrassment.

A letter from John Stowell, Esq., transmitted
by Secretary McAdoo, was ordered circulated.

The Secretary of the Board having presented
proposed changes in the by-laws of the Federal Reserve
Bank of New York, the said changes were ordered re-
ferred to the Committee on Operation of Reserve Banks.

The Secretary of the Board having presented
a letter from Governor Strong of New York making sug-
gestion that a circular relating to Government bonds
be sent to all Federal reserve banks, and a letter from Mr. J. A. Lewis of St. Louis making inquiry with reference to the same subject, the two letters were, on motion, ordered referred to Mr. Warburg and Mr. Harding as a special committee to report thereon.

The Secretary of the Board having presented a letter from Mr. A. B. Hepburn of New York relating to the establishment of branches of Federal reserve banks, the letter was ordered circulated.

The Secretary of the Board having presented a letter from Mr. E. O. Tenison relating to a letter from Mr. Kiley of Paris, Texas, with other correspondence relating to the conduct of the banks in Texas, the correspondence was ordered circulated.

A letter from Mr. B. W. Davis of Waupun, Wisconsin, with reference to farm land loans outside of the reserve district, was ordered answered with enclosure of Counsel's opinion on this subject.

The Secretary of the Board having presented a memorandum from Counsel transmitting a form of order relating to permission for the National City Bank of...
New York to establish a branch in Valparaiso, Chile, with sub-branches elsewhere in that country, the matter was referred to Mr. Warburg for report.

A recommendation presented by the Committee on Budget and Expenditure authorizing the purchase of a set of the Encyclopedia of Law and Procedure at $150, was approved, and the purchase ordered.

An opinion of Counsel recommending that Federal Reserve Agent Perrin consider with his Counsel the advisability of applying for an injunction against the Superintendent of Banks of California in regard to his ruling with reference to savings accounts in member banks in that State, having been presented, it was, on motion agreed that the recommendation of Counsel in the matter should be approved.

A letter of Federal Reserve Agent Tenison transmitting certain minutes of the Board of Directors of the Federal Reserve Bank of Dallas, was presented to the Board and noted.

Mr. Harding, on behalf of the special committee to which was referred the question of permitting the New Orleans Branch of the Federal Reserve Bank of
Atlanta to buy State bank acceptances protected by warehouse receipts, reported that the committee favored submitting the question to the approaching Conference of Governors, and also reported that the Board make a recommendation to Congress for an amendment to the Federal Reserve Act permitting national banks to deal in domestic acceptances under reasonable restrictions. On motion the recommendations of the committee were approved, and the committee was authorized to take up the two questions with the Conference of Governors.

On motion at 1:00 p. m. the Board adjourned to meet on Monday, October 10, at 11:00 a. m.

[Signature]
Secretary.

APPROVED:

[Signature]
Chairman.