

At a regular meeting of the Federal Reserve Board held in the office of the Governor at 12 noon, on Friday, November 5,

PRESENT:

Mr. Hamlin, presiding	Mr. Warburg
Mr. Delano	Mr. Harding
Mr. Williams	Mr. Miller

Mr. Willis, Secretary.

The minutes of the meetings of November 3 and 4 were read and approved.

The question of the appointment of Mr. Curtis R. Mosher as assistant to Federal Reserve Agent Rich of Minneapolis was discussed, and on motion, the subject was referred back to the committee in charge of the same, with request for a definite report today if possible.

The question of the purchase of warrants of the State of Georgia by the Federal Reserve Bank of Atlanta, was brought before the Board, and Mr. Harding reported that the form of the warrant is now satisfactory and considered to be legal by Counsel of the Board. On motion the Board voted to authorize the Federal Reserve Bank of Atlanta to hold not more than \$325,000

of the said warrants, the same being 25 per cent of the total issue; but to grant power to the bank to purchase and distribute the balance of the issue of \$1,300,000 of said warrants to other reserve banks desiring to purchase the same, no reserve bank, however, to hold more than \$325,000 of the warrants.

The question of open market purchases at New Orleans being presented to the Board, with a telegram from Mr. P. H. Saunders asking for a reduction in the rate already established at 4% on such transactions, it was on motion voted to make the rate $3\frac{1}{2}\%$ subject to the discretion of the committee of the Board in charge of the New Orleans branch (Mr. Harding, Mr. Miller, Mr. Warburg). Mr. Warburg was recorded as voting against the motion. It was informally agreed that Mr. Harding and Mr. Warburg should prepare a letter on the subject.

The minutes of a meeting of the standing committee on State Banks, held on Thursday, November 4, were read to the Board, and on motion approved. In consequence of this action the following recommendations with reference to applications for fiduciary

powers were approved:

Granted:

City National Bank, Clinton, Iowa
First National Bank, Traverse City, Mich.

Placed on suspended list:

Exchange National Bank, Spokane, Wash.
First National Bank, Marengo, Iowa

Refused:

First National Bank, Cambridge City, Ind.

Referred to Counsel:

First National Bank, East Newark, N. J.
First National Bank, High Bridge, N. J.

On motion the resignation of Mr. Warburg as a member of the special committee on the condition of affairs at Atlanta, was accepted, and Mr. Delano was appointed in his place.

On motion a report of the Committee on Legal Matters approving the opinion of Counsel with respect to the methods of passing upon fiduciary applications in the twelfth district, was adopted.

Mr. Harding having stated to the Board certain facts concerning the salary now paid Mr. J. Z. Miller, Federal Reserve Agent at Kansas City, the subject was,

on motion referred to the members of the Board specially in charge of the Kansas City District.

Letters from Governor Strong of New York with reference to the establishment of foreign agencies by member banks, were read to the Board and laid on the table.

A letter prepared by Mr. Warburg for transmission to Governor Aiken of Boston relative to the allotment of bonds to Federal reserve banks, was read, and on motion was approved, and its transmission authorized, subject to minor modifications.

The Secretary of the Board called attention to the usual weekly discount notices, informing the Board that no changes had been asked for. The notices were ordered received and filed.

A letter from Secretary of the Treasury McAdoo with respect to a meeting of the Buffalo Association of Credit Men, was read, and on motion referred to Mr. Harding with request that he talk the matter over with the Secretary of the Treasury.

The Secretary of the Board having presented an opinion of Counsel with respect to certain questions af-

fecting the election of directors, it was, on motion voted not to publish the opinion at this time, but to instruct the Secretary to state in cases where such action is necessary, that should it be impossible to get a new elector for each bank, the elector chosen last year might serve again this year.

A letter from Governor Strong of New York stating that the Governors of the banks prefer to retain the present plan of distributing circulars, having been read, was ordered filed.

A memorandum from Federal Reserve Agent Jay relative to the question of new quarters for the Federal Reserve Bank of New York, was ordered referred to the committee on the New York District.

Mr. Delano having reported to the Board in favor of a plan for the classification of organization expenses offered by Chief of Division Broderick, under date of October 28, it was, on motion, voted to approve the said plan, and to transmit it to Federal reserve agents for their confidential information.

An application made by the Federal Reserve Bank of Philadelphia for power to hold \$50,000 City of

Atlantic City 4 $\frac{1}{2}$ % three month notes, was approved.

The Secretary of the Board having read a letter from Governor Strong of New York relative to the proposed transmission of a circular on Government bonds, was instructed to inform Mr. Strong that the circular is approved, but to add that member banks must renew their applications quarterly.

A letter from Federal Reserve Agent Perrin relative to the redemption of unfit notes, was referred to the Committee on Issue and Redemption.

The Secretary of the Board read a letter from Governor Strong relative to the transmission of a full report of the Governors' Conference. The letter was received and ordered filed.

On motion it was voted to name a standing committee on Investments, the same to consist of Mr. Harding, chairman, Mr. Miller and Mr. Warburg.

A letter from Governor Rhoads of Philadelphia relative to various matters, raising among others, some points regarding the allotment of United States bonds, was on motion, referred to the Committee on Investments.

A letter from the Texas Bankers' Association, addressed to Mr. Harding, requesting Mr. Harding to accept an invitation for December 7, was presented to the Board, and on motion, Mr. Harding was asked by the Board to attend the meeting in question.

On motion at 1:25 p. m. the Board adjourned to meet at 2:45 p. m. this day in joint conference with the Federal reserve agents.

H Parker Willis
Secretary.

APPROVED:

C. A. Austin
Chairman.