

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Board on Monday, December 6, at 11:00 a. m.,

PRESENT:

Mr. Hamlin, presiding Mr. Miller
Mr. Warburg Mr. Willis, Secretary.

General discussion of the situation as to clearing was undertaken, and the Secretary read a letter just received from Federal Reserve Agent Martin of St. Louis expressing the view of the St. Louis Reserve Bank as to the situation. On motion it was voted that the Secretary reply by stating that the Board had already voted to ask the Attorney General about its power regarding clearing, and also to inform Mr. Martin that the statement made by Governor McDougal of Chicago to the effect that the Board had approved a plan of deferred credit and deferred debit, was erroneous.

Mr. Hamlin brought to the attention of the Committee the fact that a vacancy in the Advisory Council existed in Boston, and that there was doubt as to the proper method of filling it. It was

agreed that he should write to Mr. Forgan saying that in such cases elections should be carried out by the new boards of directors which come into office on January 1.

On motion it was voted to authorize the issue of Federal reserve notes to the Federal Reserve Bank of Minneapolis to the amount of \$2,000,000, application for the same being duly approved by the Committee on Issue and Redemption, in the following denominations:

\$5 denomination	\$440,000
10 "	800,000
20 "	560,000
50 "	200,000

Mr. Hamlin filed with the Board a letter from the Comptroller of the Currency giving the facts regarding recent action taken by him in connection with the financing of sisal hemp imported from Yucatan on a commission basis.

Mr. Hamlin presented a letter from the Comptroller of the Currency with respect to complaints recently made by Federal Reserve Agent Curtiss of Boston in regard to Mr. James D. Brennan,

Chief National Bank Examiner.

Discussion ensued with reference to the conditions at the Kansas City Reserve Bank, and on motion, Mr. A. C. Miller was authorized to communicate with Mr. J. Z. Miller suggesting that the latter, at his convenience, visit Washington for conference.

The Secretary of the Board presented copies of the recent examiners' reports as to the accounts of the reserve agents at Boston and Cleveland, and raised the question whether such copies should be presented to the agents themselves, or not. After informal discussion, it was agreed to take no action in this matter until a later date.

Mr. Warburg inquired whether Counsel might not be instructed to begin the preparation of amendments to the Federal Reserve Act relating to domestic acceptances and the establishment of branches of national banks in the cities and counties in which said banks are located. It was informally agreed that this instruction should be given by Mr. Warburg.

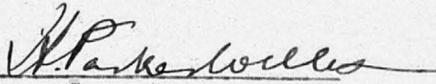
Mr. Warburg called attention to the advisability of having Federal reserve agents reminded to find out the situation with respect to the problems of establishing foreign agencies through the efforts of the banks in their respective districts, as suggested at the recent meeting with reserve agents. The Secretary said that such an inquiry was already being sent out to reserve agents.

Mr. Warburg called attention to the desirability of shortly preparing a formal report relating to the whole foreign agency question.

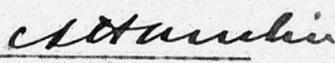
At the request of Mr. Warburg the Secretary read the essential portions of a letter from Governor Strong of New York respecting the question of conditions surrounding the importation of goods from India. It was agreed that the Secretary should draw up a letter to be suggested to the State Department as suitable for transmission to attaches and commercial representatives of the United States in different parts of the world, calling attention in said letter to the fact that American banking institutions were now in

position to do foreign business successfully.

On motion at 12:40 p. m. the Committee
adjourned.


Secretary.

APPROVED:


Chairman.

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