

At a meeting of the committee on operation of Reserve banks and the Executive Committee in joint session held in the office of the Board on December 17, at 4:30 p. m.

PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Willis, Secretary.

The recommendations of the Executive Committee of Governors with regard to reports of member banks were placed before the committee and Mr. Harding suggested the desirability of sending out a form for member banks report, the same to be referred to Chief Examiner Broderick and if approved by him to be transmitted to each Federal Reserve Agent for comment. The action proposed by Mr. Harding was ratified.

The question of the term of office of reserve bank employees having been raised by Federal Reserve Agent Rich, it was voted to inform Mr. Rich that this matter was within the control of the Fed-

eral reserve banks themselves.

The question of payment of dividends by member banks was transferred from the Committee on Operation to Mr. Harding as a special committee, his conclusions to be reported to the Board.

The recommendation of Federal Reserve Agent Curtiss of Boston with reference to repayment of stock subscriptions of liquidating member banks, was reported by the Executive Committee with the recommendation that no further action be taken, and filed.

The Executive Committee recommended that the recommendation of the Governors' Conference at Minneapolis for the consolidation of the office of the Comptroller of the Currency under the Federal Reserve Board, and a bi-monthly statement of reserves by member banks, be tabled for the present.

The Executive Committee reported as an essential amendment for consideration, the following:

The amendments prepared by Mr. Harding to Section 2, paragraph 11, 12 and 13 of the

Act, and Section 13, paragraph 1.

Mr. Delano stated that Mr. Glass thought well of these amendments. They were referred to the Committee on Law with a favorable recommendation.

Other amendments reported as meriting favorable consideration were:

1. Relation to domestic acceptances.
2. Branch banks.
3. Government subscriptions to stock.
4. Federal reserve notes issued by agents for gold.
5. Mr. Harding's amendment on deposits.
6. Purchase of foreign bills.
7. Foreign branches.
8. Amendments to Section 9 allowing associate membership to savings banks, or permitting the banks to affiliate with savings institutions.
9. Prohibiting the use of the word "Federal" in an objectionable sense, and tentatively.
10. Amendments to the Clayton Act.

The Executive Committee, under the ruling of the Comptroller of the Treasury, reported it is unnecessary to forward to the Speaker of the House of Representatives information relative to the exchange of typewriters, adding machines, and other labor-saving devices, and the letter was ordered

Letters from Mr. A. J. Brunson, President of the First National Bank of Plainfield, New Jersey, and Mr. N. U. Carpenter, President of the Citizens Bank of Portland, Oregon, suggesting amendments to the Federal Reserve Act, were ordered tabled.

Mr. Hamlin presented a memorandum covering the suggestions of Honorable E. J. Hill, M. C., of Connecticut, for an amendment to the Federal Reserve Act permitting national banks to take over mutual savings associations established under State law, and it was directed that a letter be written to Mr. Hill suggesting that he introduce such an amendment, which would then be referred to the Federal Reserve Board. It was understood that

this should not in any way commit the Board.

At 5:35 the joint conference adjourned.

*H. Parker Willis*  
Secretary.

APPROVED:

*Estlin*  
Chairman.

