

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:15 a. m., on Friday, January 21,

PRESENT:

Mr. Hamlin, presiding      Mr. Warburg

Mr. Delano                      Mr. Harding

Mr. Miller

Mr. Allen, Assistant Secretary.

The minutes of the meetings of January 20 were read and approved.

Mr. Harding asked unanimous consent to report that Mr. M. F. H. Gouverneur and Mr. D. R. Coker, directors in the Federal Reserve Bank of Richmond, had called upon him early in the day stating that a meeting of the Board of Directors of the Federal Reserve Bank of Richmond was held on January 20 at which it was agreed that Mr. Gouverneur and Mr. Coker should diplomatically urge the approval of a salary of \$15,000 per annum for the Governor of the Bank. These di-

rectors had also expressed the wish of the Board of the Federal Reserve Bank of Richmond that a committee of three from their number be received by the Federal Reserve Board at a convenient date for a conference on matters generally, in connection with the Richmond bank.

On motion of Mr. Delano it was agreed that Mr. Harding should make the appointment desired by the committee for some day in the week beginning January 31.

Mr. Delano called attention to an article in the Washington Post of January 21 under the name of Arthur C. Welton relative to a discussion held on January 20 between representatives of the American Bankers' Association and the Governors of Federal reserve banks on the cancellation and retirement of greenbacks. It was stated by Mr. Delano that Governor McDougal had said that while this matter was discussed, it was understood at the meeting that it was

discussed in confidence. It was informally agreed that Governor McDougal should suggest to the other Governors the publication of a statement which would show that the Governors took no definite action in connection with the subject of cancelling greenbacks. Governor Strong came to the Board Room shortly after this action and made further explanation of the matter. It was then agreed that no statement was necessary.

Mr. Hamlin stated to the Board that he had completed a digest of the Clayton Act, similar to his digest of the Federal Reserve Act, and that Senator Owen was prepared to present the digest to the Senate with a view to having it printed as a Senate document. He suggested in this connection the advisability of taking up the matter with the Federal Trade Commission and the Interstate Commerce Commission, and it was agreed that the action out-

lined was desirable.

Mr. Harding was authorized to wire Federal Reserve Agent Ramsey of Dallas in reply to a telegram received from him on January 20, stating that Mr. Edward Rotan had accepted appointment as Class "C" director and suggesting that Mr. Ramsey urge Mr. Rotan to accept the designation as deputy Federal reserve agent.

// Governor Strong stated to the Board his intention of going to London, leaving New York on February 1, to investigate the matter of credit information and banking business, such as the buying of bills. Governor Strong asked whether the Board desired that the Governors of banks, now in Washington, should consider the matter of obtaining foreign business for their banks. //

After discussion Mr. Miller moved that the Board ask the Governors to consider the field of operation in foreign exchange, both from the

point of view of exchange profits and the flow of gold, with a view to determining how the twelve Federal reserve banks can best cooperate in the matter, and that a report be made to the Board.

Mr. Delano left the Board Room at this point in the meeting.

Mr. Miller's motion was voted.

8 A new draft of a letter to Federal reserve agents on foreign acceptance business, was presented, its scope enlarged, and authorization given to send it out. This letter was based upon the inquiry of Federal Reserve Agent Jay of New York as to the treatment of foreign acceptance business.

A letter from Mr. F. W. Woodruff, vice president of the National Bank of Joliet, Illinois, stating the refusal of the courts to direct State officers in Illinois to license that bank to exercise fiduciary powers, was presented to the

Board with a reply drafted by Counsel. This reply was ordered to be sent, subject to examination of the Governor of the Board.

A letter from Federal Reserve Agent Ramsey of Dallas implying that transactions in the Gold Settlement Fund when approved by him would also bear the approval of his Secretary, Mr. Hall, was referred to the Gold Settlement Fund Committee.

A letter from Federal Reserve Agent Ingle was read, announcing the election of Mr. J. W. Norwood of Greenville, South Carolina, as a member of the Advisory Council from the Federal Reserve Bank of Richmond.

A telegram from Federal Reserve Agent Perrin in reply to the inquiry of the Board as to prevailing interest rates on loans secured by staple commodities stored in warehouses, was read, and it was directed that a copy of the telegram be forwarded to Secretary

McAdoo to whom the inquiry originating the telegram was addressed.

A letter from Senator John W. Weeks, transmitting a bill introduced in the Senate and favorably reported from committee, authorizing national banks to take advantage of State laws guaranteeing deposits, was read and the matter referred to the Governor of the Board and the Comptroller of the Currency for a joint early report.

A letter from Mr. W. D. Vandiver, Assistant Treasurer at St. Louis, under date of January 18, to the Secretary of the Treasury, stating the refusal of the Federal Reserve Bank of St. Louis to redeem \$147,500 in unfit notes, was read and referred to Mr. Miller with power to act in the matter, with the suggestion that a telegram be sent to the Federal reserve agent at St. Louis asking an explanation.

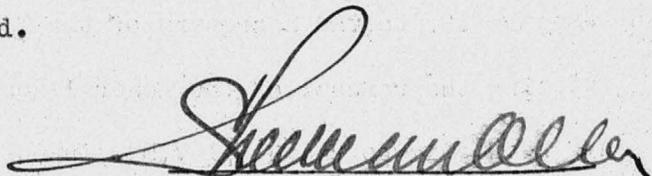
Mr. Miller called attention to the desire of Federal Reserve Agent Perrin to be

absent from San Francisco on stated dates, and the necessity of filling his place. No action was taken.

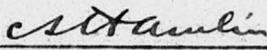
Mr. Warburg read a letter addressed to the Treasurer of the United States relative to prompt notice to the Board of the cost of transactions under the Gold Settlement Fund involving shipments of currency.

Several opinions of Counsel upon which release was requested for use in the Bulletin, were referred to the Committee on Law.

On motion at 1:00 p. m. the Board adjourned.

  
Assistant Secretary.

APPROVED:

  
Chairman.