

At a special meeting of the Federal Reserve Board held in the office of the Board at 11:15 a. m., on Saturday, January 29,

## PRESENT:

Mr. McAdoo, presiding      Mr. Williams

Mr. Hamlin                      Mr. Warburg

Mr. Miller

Mr. Harding

A letter to Mr. Pierre Jay, Federal Reserve Agent at New York, concerning the desirability of giving greater latitude to Federal reserve banks in dealing with statements to be received from private bankers in connection with the purchase of their acceptances as provided in paragraph 3 of Regulation S, was presented, and its dispatch approved. The letter is as follows:

January 29, 1916.

Dear Sir:

In connection with the talk

that you had with members of the Board concerning the desirability of giving greater latitude to Federal Reserve Banks in dealing with statements to be received from private bankers in connection with the purchase of their acceptances, as provided in paragraph III of Regulation S., reading as follows:

"No Federal Reserve Bank shall purchase a domestic or foreign acceptance of a 'banker' other than a member bank, which does not bear the indorsement of a member bank, unless there is furnished a satisfactory statement of the financial condition of the acceptor in form to be approved by the Federal Reserve Board."

the Board has decided that such statement may be considered to be in satisfactory form if it contains information as to the amount of the capital paid in and the extent and character of the capital responsibility of the partners constituting the firm in addition to the paid-in capital; furthermore, if information is furnished as to the aggregate of deposit liabilities and the general character thereof, together with statement as to the extent to which the private banking firm accepts and the character of the acceptance business done by it. The Board expects that this information will be given annually.

It is understood, of course, that

this represents the minimum requirement. The Board must leave it to the judgment of the Federal Reserve Bank to ask for additional information wherever that appears to be the dictate of prudence, but the Board is quite willing to rely in this respect upon the discretion and good judgment of the Federal Reserve Bank."

Respectfully,

C. S. HAMLIN,

Governor.

Pierre Jay, Esq.,  
Federal Reserve Agent,  
New York.

On motion at 11:30 a. m., the Board  
adjourned.

H. Parker Willis  
Secretary.

APPROVED:

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Chairman.