

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:10 a. m., on Thursday, July 13,

PRESENT:

Mr. Hamlin, presiding Mr. Williams

Mr. Delano Mr. Harding

Mr. Allen, Secretary.

The minutes of the meeting of July 11, were read and approved.

Formal approval was given to the request of the Federal Reserve Bank of Chicago to increase its rate for maturities of 31 to 60 days from 4% to $4\frac{1}{2}\%$. This had received the initial approval of the Board on July 11.

Attention having been called to the desire of the Federal Reserve Bank of Kansas City to increase its rates, and to the fact that this proposed increase had been referred back for the action of the Board of Directors

at a meeting to be held this day, the Board approved the new rates subject to the receipt of the approval thereof by the Directors of the Federal Reserve Bank of Kansas City, as follows:

	<u>Old rate.</u>		<u>New rate.</u>
Commodity rate	3%	to	4%
Trade acceptances	3½%	to	4%
Ten-day paper	4%	to	4½%

A letter to Representative J. M. C. Smith, relative to dividends paid by Federal reserve banks was referred to Governor Hamlin.

The resignation of Mr. E. T. Meredith as a Class "C" director of the Federal Reserve Bank of Chicago was read and upon vote of the Board accepted with regret. Instructions were given to announce the resignation to the press.

A letter from Governor Rhoads, Chairman of the Governors Bond Committee, to Mr. Delano detailing arrangements under consideration for disposing of United States Government

thirty-year 3's, now held by Federal reserve banks, with copy of a letter from Harris, Forbes and Company of New York, was read. These letters with a memorandum of Mr. Warburg on the subject of Government bonds, dated July 8, were referred to Mr. Delano and Mr. Harding that they might take up questions raised with the Secretary of the Treasury.

Attention was called to a letter from the Federal Reserve Agent at San Francisco, dated July 7, stating the failure of the First National Bank of Shoshone, Idaho, to forward to the bank copies of reports made to the Comptroller of the Currency. Upon motion this was referred to the Comptroller of the Currency.

A letter from Vice President Marshall as to the Federal Reserve Bank of Chicago was referred to Mr. Delano.

A letter from the Federal Reserve

Agent at Boston, stating that only seventeen Vermont banks had failed to agree to par their checks, was read and noted.

The application of the Deputy Federal Reserve Agent at New York, Mr. George Foster Peabody, for \$2,000,000 in Federal reserve notes of the \$20 denomination was upon recommendation of the Committee on Issue and Redemption approved.

Upon the suggestion of Governor Hamlin the Board authorized sending two additional copies of the Index-Digest of the Clayton Act to the Federal Reserve Bank of Philadelphia, and the same number to other banks applying.

Reductions in capital stock requested were upon recommendation of Mr. Williams and Mr. Harding approved as follows:

First National Bank, Red Hook, N. Y. \$75,000.

First National Bank, Sebree, Ky. 7,500.

An opinion of Counsel, holding that an officer, director or employee of a member bank may under the Kern amendment serve as a director, other officer or employee of not more than one other member bank, where the entire capital stock is owned by stockholders in the other, and at the same time in two other banks not in substantial competition with the member bank, was approved.

Mr. Harding called attention to a letter from Mr. Oscar Wells of the First National Bank of Birmingham, Alabama, asking that that bank be placed upon the immediate credit list of the Federal Reserve Bank of Atlanta, in consideration of its carrying an excess balance with the Federal Reserve Bank, and this was voted, Mr. Harding to advise both Mr. Wells and the Federal Reserve Bank of Atlanta.

The Comptroller of the Currency submitted to the Board a statement for the press

showing, among other things, the increase of
rediscounts by member banks with Federal re-
serve banks and this was referred to Mr. Hard-
ing with power.

At 11:55 a. m., the Board adjourned
to meet at 11:00 a. m., on Tuesday, July 18.


Secretary.

APPROVED:


Chairman.