

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11 A. M. on Thursday, January 4,

PRESENT:

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

The minutes of the meeting of the Board on Wednesday, January 3, were read and approved as corrected.

Governor Harding read a letter from the Federal Reserve Bank of New York relative to the question of salaries at that bank for the coming year. The matter was referred to the Committee on Staff.

Governor Harding presented for the information of the Board a letter from Governor Aiken of the Federal Reserve Bank of Boston, with reference to the recent foreign agency statement of the Board. The letter was noted and ordered passed to file.

The Secretary of the Board read a letter from Mr. T. J. Hammer addressed to the President of the United States, with reference to the designation of the Bank of England as a foreign agent of the reserve system. The letter was referred to the Governor with power to act.

Governor Harding presented to the Board a letter written to Federal Reserve Agent Jay with reference to the designation of other foreign agencies. The letter was ordered placed in the Executive Folder for circulation.

The Committee on Member and State Banks having reported favorably on the application of the Peoples Savings and Trust Company of Clinton, Iowa, for admission to the system, the application of this bank was, on motion, approved.

A letter written to the Merchants-Laclede National Bank of St. Louis with reference to the attendance of non-directors at meetings of the boards of member banks, was read and noted.

On motion the recommendation of the Federal Reserve Bank of St. Louis for an increase in the existing rate on trade acceptances not over 90 days in maturity, to  $3\frac{1}{2}\%$ , was approved.

The minutes of a meeting of the Committee on the Clayton Act held at 10:30 A. M. on Thursday, January 4, were read and the action therein taken ratified.

A report of the Committee on Staff relative to the designation of Mr. Jas. S. Kean as stenographer in the Sec-

retary's office, was, on motion, approved.

The Governor of the Board read a letter from August Belmont & Company relative to the question of a foreign agency of the reserve system in Cologne, Germany. The matter was referred to the Governor for reply.

The question of the proposed amendment to Section 19 of the Act (the reserve section) being brought up, Mr. Warburg recommended that the requirement of 7% balance in the Federal reserve bank and 5% in vault, as applied to country banks, should be so altered as to permit an optional balance of 1% to be carried either in vault or with the reserve bank. The matter was discussed, but no definite action taken.

Mr. Harding submitted the draft of a letter to Federal reserve agents transmitting copies of the Board's amendments to the Federal Reserve Act. The letter was discussed and referred back to the Executive Committee with power to transmit in such form as might be agreed upon.

On motion at 1. P. M. the Board adjourned to meet on Friday, January 5, at 11 A. M.

*H. Parker Wells*

Secretary.

APPROVED:

*W. C. Harding*  
Chairman.