

At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, January 22, at 11 A. M.,

PRESENT:

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

The minutes of the meetings of the Board held on January 18 and 20 were read, and on motion approved.

On motion it was voted that a letter received by Mr. Hamlin from Governor Wold with reference to the Board's proposed amendments to the Federal Reserve Act may be transmitted by the Governor of the Board to Chairman Glass, of the House Banking and Currency Committee.

Governor Harding stated to the Board that he had, in accordance with the wish of the Board, had a conversation with the Secretary of the Treasury respecting the question of 30 year bonds and one-year notes, and the possibility of converting the latter into the former. He had been advised by the Secretary of the Treasury that a considerable issue of short term notes would probably be made in the near future in order to meet Treasury requirements.

The matter was discussed and it was, on motion, voted that the Governor be authorized to write Chairman Glass that the Board withdraws the amendment permitting the issue of currency against government $3\frac{1}{2}\%$ one-year bonds.

The Secretary of the Board announced that a Committee of five Governors, assembled for the purpose of discussing the immediate credit of drafts drawn upon Federal Reserve Banks, was in session at the Shoreham Hotel.

A letter of Governor Miller with reference to the use of the currency emblem of the Federal Reserve Bank of Kansas City on stationery was, on motion, referred to the Committee on Law.

A letter from Federal Reserve Agent Ramsey with reference to his rate of compensation was, on motion, referred to the Committee on Staff.

A proposed schedule of discount rates of the Federal Reserve Bank of Dallas was presented to the Board as follows:

- On commodity paper, $3\frac{1}{2}\%$
- On members' fifteen days notes, $3\frac{1}{2}\%$
- On notes discounted having maturity not exceeding fifteen days, $3\frac{1}{2}\%$
- On notes maturing within sixty days, 4%
- On notes beyond sixty days and within ninety, $4\frac{1}{2}\%$
- On notes having maturity beyond ninety days, 5%

Open market purchases, 3 to 5%

Trade acceptances, 3 $\frac{1}{2}$ %

After discussion, the Governor was, on motion authorized to advise the Federal Reserve Bank of Dallas that the Board had no objection to the schedule of rates proposed, but would prefer to have the schedule formally ratified by the Board of Directors of the Federal Reserve Bank of Dallas.

The Secretary of the Board submitted certain questions relating to the form of the annual report of the Federal Reserve Agent of Philadelphia. The matter was referred to the Executive Committee, with power to act.

A letter from Mr. A. H. C. Dalley, of Chicago, addressed to the President, was referred to the Governor of the Board, with power to act.

The Secretary of the Board raised the question whether the recent letter with reference to the lending policy of Federal Reserve Banks addressed to all Federal Reserve Agents might or might not be used in the forthcoming number of the Federal Reserve Bulletin. It was informally agreed that the letter should not be published

in full, but that such references as might be made to it should be made in the review of the month.

A draft of a letter to all Federal Reserve Agents with reference to trade acceptances to cover payments due for advertising space was presented, and, on motion, it was voted to approve and transmit the letter. Mr. Miller was recorded in the negative.

The Committee on Operation in charge of the Atlanta District presented a report favoring authorization to the Atlanta Bank to proceed with the construction of a building, subject to specified limits of cost. The report was discussed. On motion, it was agreed to approve the report in general and to authorize the construction of the building. Mr. Miller was recorded in the negative.

A motion to require the Federal Reserve Bank of Atlanta to write off not less than three percent of the cost of the building annually, on being put to a vote, was lost.

On motion it was voted to fix the limit of cost of the building and vaults complete at \$175,000, provided that not less than five percent of such cost be written off each year for the next ten years.

On motion, the recommendation of the Committee on Issue and Redemption in favor of the issue of \$5,000,000 Federal Reserve notes of the five dollar denomination to the Federal Reserve Bank of New York, was approved.

A report of the Committee on Staff favoring specified increases of salaries at the Federal Reserve Banks of Boston, Cleveland and Richmond was presented to the Board, and, on motion, approved, the Secretary being directed to notify the banks accordingly.

On motion it was voted that the Committee on Staff be requested to make a general report with reference to the salaries of Federal Reserve Agents for the current year, and that such report be presented on or before January 31st.

Mr. Harding presented a letter from Federal Reserve Agent Rich, requesting certain maps of Federal Reserve Districts. The matter was referred to the Secretary, with the aid of Mr. Jacobson, to report to the Executive Committee, the latter to have power to determine the matter.

A letter from Governor Sawyer with reference to his salary was laid before the Board and noted.

A letter from Mr. McLane Tilton with reference to

charges at country banks was laid before the Board and noted.

A letter from Governor Aiken, of Boston, with reference to the entry of trust companies into the System, and outlining certain difficulties arising out of the Clayton Act, was laid before the Board and noted.

A letter from Governor Seay with reference to the purchase of French industrial acceptances was laid before the Board and noted.

A letter from Counsel with reference to the status of persons who are members of an Advisory Council to a Board of Directors of a member bank, passing upon the question whether such persons are directors, officers or employees within the meaning of the Clayton Act, was read. On motion it was voted to have the letter put into shape as a formal opinion and that it be adopted as such and published in the Federal Reserve Bulletin.

Mr. Harding announced that the question of the division of liability for dividends between the Federal Reserve Banks of Dallas and Kansas City had been adjusted.

A draft of a letter addressed to the Spanish Ambassador with reference to connections with the Bank of

Spain was read. It was informally agreed that the Governor be authorized to transmit the substance of the proposed message through Secretary Lansing or Counselor Polk to our Ambassador in Madrid.

A letter from Federal Reserve Agent Hardy with reference to the circular of the Board as to the policy to be followed by Federal Reserve Banks in investing their funds, and a letter from Federal Reserve Agent Jay on the same subject, were read and noted.

A letter from Mr. Warburg addressed to the Governor of the Board commenting upon certain phases of the statement or abstract of the condition of banks issued by the Comptroller of the Currency was read and considered.

A letter from Daniel G. Wing, President of the First National Bank, Boston, asking permission to establish a branch of that bank at Buenos Ayres and stating that one million dollars would be set aside for that purpose was read, and on motion it was voted to grant the application. The details of the matter were referred to the Committee on Foreign Branches.

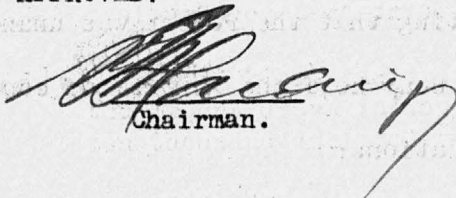
Letters from Federal Reserve Agents approving the Board's letter authorizing the shipment of Federal reserve notes under power of attorney made by each bank to every

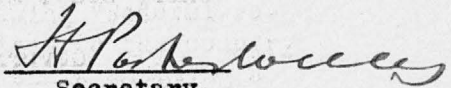
other but asking that a general form of power of attorney be prepared by the Board, were read. It was agreed that such power of attorney be prepared.

On motion the Governor of the Board was authorized to provide for the indexing of the minutes of the Board up to date.

On motion the Board adjourned to Tuesday, January 23, at 11 A. M.

APPROVED:


Chairman.


Secretary.