

At a special meeting of the Federal Reserve Board held in the office of the Board on Tuesday, February 13, at eleven a. m.,

PRESENT:

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

The minutes of the meeting of the Board held on February 12 were read and, on motion, approved.

Governor Harding presented a letter from the Secretary of the Treasury transmitting a letter from the Secretary of State enclosing a despatch with reference to the suspension of the Banco Union, Cartagena, Columbia. The correspondence was noted and passed to file.

Governor Harding presented a letter from Governor Van Zandt of Dallas transmitting a letter of a country banker in Texas stating the latter's attitude with respect to the Federal Reserve System. On motion the Secretary was authorized to publish the letter in the Federal Reserve Bulletin, and the Governor was authorized to present it to the Senate Committee on Banking and Currency at the hearing

to be held on the afternoon of this day.

Governor Harding presented a letter from certain directors of the Federal Reserve Bank of Dallas recommending an increase in salary of Federal Reserve Agent Ramsey. The communication was referred to the Committee on Staff.

Governor Harding presented a letter from Federal Reserve Agent Ramsey stating that it had been recently necessary to make shipments of gold to Laredo to pay customs duties on the Mexican border. It was agreed that the Governor write Mr. Ramsey that while it is not thought wise to encourage such shipments, it is thought best that he meet the demand readily when necessary.

Governor Harding reported the substance of a conversation with Honorable Carter Glass of the House Banking and Currency Committee with reference to the present status of the clearance system and proposed legislation affecting it.

Governor Harding read a letter from Federal Reserve Agent Perrin with reference to the status of assistant Federal reserve agents, should such office be created under proposed legislation. The Secretary of the Board presented correspondence between Mr. Miller and Federal Reserve Agent Rich on the same subject. All papers were referred to Counsel

with instructions to revise the proposed amendment affecting assistant Federal reserve agents prior to the session between Governor Harding and the Senate Committee on Banking and Currency.

Governor Harding read a letter from the Comptroller of the Currency stating that he had transferred Examiner Wm. J. Schechter from the Ninth to the Seventh Federal Reserve District at a salary of \$2400 per annum. The recommendation was referred to the Committee on Staff.

Mr. Harding read a letter from the Comptroller of the Currency transmitting a letter from Examiner Gatch of San Francisco with reference to the recent bank failures in Seattle, stating that the reason for the failures was primarily the poor financial condition of the banks, coupled with defective State supervision. The question of establishing a branch of the Federal Reserve Bank of San Francisco at Seattle was discussed, and it was agreed that the Governor of the Board write to Mr. Perrin suggesting that he begin a careful study of the branch situation on the Pacific Coast with special reference to Seattle.



The report of the Committee on Discounts proposing the simplification of the Board's present schedule of discount rates, previously presented to the Board, was again taken up and after discussion it was agreed that the substance of it be sent to each Federal reserve Agent with request for his views on the proposed changes.

Governor Harding read a letter from Mr. A. G. Clapham stating that space in the new building of the Commercial National Bank was available, and offering to reserve suitable space for the Federal Reserve Board, and also his own reply to the communication. No action was taken, but the matter was called to the attention of the Committee on Permanent Quarters.

Governor Harding reported the substance of a talk with Governor Aiken of Boston with regard to the clearance situation, and the question of appointing an officer to take charge of all matters relating thereto on behalf of the Board.

A letter from Federal Reserve Agent Rich transmitting a copy of the guarantee of deposit law of the

State of North Dakota, was presented to the Board, and ordered passed to file.

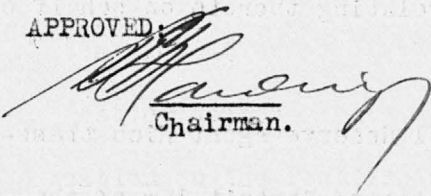
The Secretary of the Board read a letter received from the Federal Reserve Bank of San Francisco stating that, subject to the approval of the Board, its board of directors had passed a resolution designating the Philippine National Bank as its agent in the Philippine Islands. He also read an outline describing the basis of such relationship which had been prepared by Governor Strong.

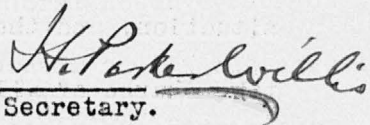
On motion the action of the Federal Reserve Bank of San Francisco was approved.

A letter from Mr. Samuel Pick addressed to the Treasury Department protesting against gold exports was presented. The letter was noted and ordered passed to file.

On motion at 12.20 p. m. the Board adjourned to meet on Wednesday, February 14 at 11 a. m.

APPROVED

  
Chairman.

  
Secretary.