

At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, February 26, at 11.30 a.m.,

PRESENT:

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

The minutes of the meeting of the Board held on February 23 were read and approved.

The minutes of the meeting of the Executive Committee held on February 26 were read and, on motion, approved, and the action therein set forth ratified.

Governor Harding presented the application of the Federal Reserve Bank of Dallas for power to take \$50,000, in warrants, City of San Antonio, from the State National Bank, in order to accommodate the latter. On motion, the transmission by the Governor of a telegram granting the application was authorized.

Governor Harding reported that Transit Expert Attebery would receive a salary of \$416.66 per month to cover services and expenses, the same to be paid by the

Federal Reserve Bank of St. Louis and reimbursed to that Bank by the Board, this plan having been approved by the Executive Committee. On motion, the Board ratified the proposed compensation and authorized the transmission of a telegram to that effect.

Governor Harding presented a letter written by the Comptroller of the Currency to the Riggs National Bank of Washington, D. C., calling attention to the fact that certain concerns had been authorized by the Riggs Bank to draw on it, for payment at the National City Bank of New York, and directing it to discontinue this practice on the ground that it was equivalent to the guaranteeing of checks. Governor Harding suggested that the Comptroller's instructions, if made effective, might put the Board in an inconsistent position as to its clearing plan. After discussion the matter was referred to the Executive Committee.

The Secretary of the Board read a letter from Chief Clerk Wilmeth of the Treasury Department stating that it was impossible to allow the Board any extension of its present quarters. After discussion the whole

matter of quarters was referred to a Special Committee on Permanent Quarters, to consist of the Governor with two other members, to be named by him. Mr. Harding thereupon named Messrs. Delano and Hamlin as his associates on the Committee.

The Secretary of the Board read a letter from Federal Reserve Agent Perrin with reference to the question of the establishment of branches on the Pacific Coast. The matter was referred to the Committee on Operation of the San Francisco Bank.

The Secretary of the Board read a letter from Secretary J. F. Curtis of the Federal Reserve Bank of New York, under date of February 24, requesting approval on the part of the Board of the opening of agency relations with the Bank of France under Section 14, paragraph (e) of the Federal Reserve Act. On motion the Board voted to approve the establishment of such agency relationships, and it was directed that the Governor communicate the action taken to the Secretary of the Treasury, and that the Secretary of the Board write Federal Reserve Agent Jay and Acting Governor Treman of the Federal Reserve Bank of New York in

substantially identical language, stating that the authority had been granted, and announcing that the Board would make public the facts in regard to the matter, in the morning papers of Thursday, March 1.

On motion it was voted to accept the reports of examination of the State of Massachusetts with reference to the Commonwealth Trust Company of Boston, and the reports of the State of New Jersey with reference to the Bank of Montclair, these being recently admitted member banks.

On motion it was voted to approve a list of officers of the Federal Reserve Bank of Cleveland, transmitted by that institution, for designation as special examiners.

Letters written by Federal Reserve Agent Martin with reference to the recently proposed purchase of warrants of the State of Tennessee, and announcing that the Federal Reserve Bank of St. Louis has decided not to make the purchase, were read, noted, and ordered passed to file.

The Secretary of the Board read a letter from Federal Reserve Agent Ferrin with reference to the question

of a special telegraphic code for use by Federal Reserve banks. After discussion the matter was referred to the Governor, he to name a special Code Committee with power to call in such aid from members of the Federal reserve banks as might be available. Governor Harding thereupon named Mr. Hamlin as the Code Committee. It was understood that the code should be for use between Federal reserve banks, and between Federal reserve banks and the Board, but not for communications with member banks.

The Secretary of the Board presented a letter from Federal Reserve Agent Rich with reference to the proposed transfer of the Medford National Bank of Medford, Wisconsin, to the Chicago District. On motion, it was voted that Mr. Hamlin inform the bank that the Board was indisposed to act on this matter until the clearing system had been further developed.

On motion the application of the First National Bank of Washington, Kansas, for power to reduce its capital stock from \$50,000 to \$25,000, duly recommended by the Comptroller of the Currency, was approved.

A report of the Committee on Staff with reference to the salaries of Federal reserve agents, was read, and it was voted that the report be circulated, each member of the Board to make such recommendation as he might see fit, the matter to lie on the table in the meanwhile.

A report of the Committee on Discounts with reference to the purchase of \$1,000,000 of the City of Cincinnati warrants by the Federal Reserve Bank of Cleveland, was presented and, on motion, the purchase approved, Governor Harding to notify the bank accordingly.

The Secretary read a letter from the Secretary of the Treasury to the Chief of the Division of Public Moneys, calling for regular reports on the stock of Federal reserve notes in Subtreasuries. The letter was noted and ordered passed to file.

Governor Harding reported the facts as to a visit he had paid to the Capitol on Saturday, February 24, for the purpose of discussing the proposed amendments to the Federal Reserve Act. After further discussion it was the

sense of the Board that Mr. Harding should make another visit to the Capitol at his early convenience for the purpose of pressing the amendments.

On motion at 1.05 p.m. the Board adjourned to meet at 11 a. m. on Wednesday, February 28.

APPROVED:

H. Parkhill
Secretary.

Harding
Chairman.