

At a regular meeting of the Federal Reserve Board held in the office of the Governor on Tuesday, July 24, at 11 a. m.,

PRESENT:

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

The minutes of the meeting of the Board held on July 19 were read and on motion approved. The minutes of the meetings of the Executive Committee held on July 19th and 20th were read and on motion approved and the action set forth therein ratified.

The attention of the Board was called to the fact that as yet it had taken no action for the appointment of deputy chairmen at the several Federal reserve banks under the provisions of the amended Federal Reserve Act. On motion it was voted that the Chairman of each Committee on Operation of Reserve Banks should on Wednesday, July 25, present nominations for designation as deputy chairmen. In this connection, a letter from Federal Reserve Agent Heath, of Chicago, with reference to the

designation of W. F. McLallen as deputy chairman was referred to the Committee on the Operation of the Federal Reserve Bank of Chicago.

A letter from Federal Reserve Agent Perrin with reference to the by-laws proposed for the Spokane Branch Bank was read and noted. A letter from Federal Reserve Agent Perrin with reference to the designation of Charles A. McLean as examiner to act in connection with applications of state banks for stock in the Federal Reserve Bank of San Francisco was read and the designation approved. A letter from Federal Reserve Agent Perrin with reference to the question of making the reports of the Comptroller of the Currency regarding the condition of member banks available for the use of the Spokane Board of Directors was read and on motion it was voted that the Governor consider the matter with the Comptroller of the Currency and notify Mr. Perrin of the plan arrived at for making such information available. A letter from Federal Reserve Agent Perrin with reference to the plans for the establishment of a branch at Portland, Oregon, was read and on motion it was voted that the matter be referred to Mr. Miller with the suggestion that he indicate to Mr. Perrin the Board's general approval

of the plans as outlined.

The question of establishing a branch of the Federal Reserve Bank of Kansas City at Denver was informally discussed but no action was taken.

A letter from Federal Reserve Agent Wills with reference to the establishment of the proposed branch at Cincinnati was presented and upon motion ordered circulated.

A letter from Federal Reserve Agent Martin with reference to the choice of a director for the Federal Reserve Bank of St. Louis, and the designation of directors for the proposed branch at Louisville, was read and on motion referred to the Executive Committee, the matter to be brought before the Board at its meeting on Thursday, July 26.

A letter from Federal Reserve Agent Rich with reference to the Liberty Loan organization in the Minneapolis District, was presented and on motion referred to Governor Harding.

Governor Harding stated briefly to the Board certain features of the present situation regarding relations between the Treasury Department and the Federal Re-



Reserve System and outlined a letter recently transmitted by himself to the Secretary of the Treasury on behalf of the Board with reference to the method of floating the next issue of Liberty Bonds.

Governor Harding read to the Board correspondence recently passing between himself and certain governors of Federal Reserve Banks with regard to check collection, calling the attention of the Board particularly to letters from Governors Rhoads and Wold. He further read a draft of a proposed letter to be transmitted to Governors and Federal Reserve Agents with reference to the next steps to be taken in the development of the collection system. After discussion, the matter was laid on the table, but was made a special order for the meeting of Wednesday, July 25, the proposed letter in the meantime to be circulated.

A communication from Federal Reserve Agent Rich with reference to the crop situation in the Minneapolis District was presented, and on motion ordered circulated.

A letter from Federal Reserve Agent Perrin inclosing a copy of a communication sent by him to the Ogden Clearing House Association was read and on motion ordered circulated. A letter from Federal Reserve Agent Heath inclosing a letter

from Mr. J. R. Wheeler, Columbus, Wisconsin, was read, and on motion ordered circulated.

A letter from Federal Reserve Agent Perrin with reference to carrying the loss or depreciation on United States securities on the books of the Federal Reserve Bank of San Francisco, was read, and on motion the Secretary was directed to inform Mr. Perrin that the proposed plan has the approval of the Board.

A letter from Federal Reserve Agent Wills with reference to places of payment of acceptances, and opinion of counsel with reference to the same, were presented and on motion ordered circulated. The general situation with reference to the use of the trade acceptance was discussed, and on motion the question of preparing a statement relating to the subject was referred to the Executive Committee to report back to the Board.

A memorandum prepared by the Board's Fiscal Agent with reference to the cost of the Board's private telephone lines was read, and on motion referred to Mr. Warburg.

Governor Harding read to the Board a draft of a letter addressed to all Federal Reserve Banks with refer-

ence to the management of loans to directors under the terms of existing law. The letter was referred to Mr. Hamlin, as special committee, and Mr. Hamlin having favorably reported it back to the Board, it was on motion approved and ordered transmitted.

A memorandum prepared by the Assistant Secretary of the Board inquiring whether the signatures of Assistant Federal Reserve Agents may be recognized in gold settlement fund transactions, was read and on motion referred to Counsel for opinion.

At this point Governor Harding withdrew from the meeting and the Vice-Governor took the chair.

A report transmitted by Governor J. Z. Miller, of Kansas City with reference to the condition of business at that bank was presented and ordered passed to file.

The Secretary of the Board presented the weekly dis-count sheet of the Federal Reserve Bank of Atlanta for the week ending July 26, no new rates being recommended. The sheet was noted and ordered filed.

The Secretary of the Board presented the general monthly report of business conditions from the Philadelphia District. It was informally agreed that he request a some-



what fuller report.

Vice Governor Warburg presented a letter from Federal Reserve Agent Heath with reference to the date when the new bonds for Federal reserve agents took effect, and inquiring whether the old bonds might be released from and after that date. On motion it was agreed that the Governor inform Mr. Heath that he may endeavor to secure a refund of premium for the unexpired period which the bonds have yet to run.

Changes in capital stock of Federal Reserve Banks, duly recommended by the Committee on Membership, were presented and on motion approved as follows:

Application for Surrender of Stock.

<u>District No. 2.</u>		Shares
The First National Bank	Wellsville, N.Y.	201

Application for Original Stock.

<u>District No. 8.</u>		Shares
Edwardsville National Bank	Edwardsville, Ill.	66

Applications of the Southwest State Bank of Wichita, Kansas, and of the Norwood Trust Company, of Norwood, Mass., for membership in the Federal Reserve System, duly approved by the Committee on Membership, were presented, and on motion approved, and the Secretary directed to notify the banks and the appropriate Federal reserve agents

accordingly, that the institutions in question had been admitted.

Minutes of the Committee on the Clayton Act, held at 3 p. m. on July 20, were read and on motion approved and the acts of the Committee therein set forth ratified.

A memorandum prepared by Chief of Division Broderick with reference to the conditions under which the Jefferson Commercial & Savings Bank, of Gretna, La., should be admitted to the Federal Reserve System (changes in law having occurred since the date when the admission of this bank was first voted) was read, and on motion referred to the Executive Committee with power to act.

On motion at 12.55 p. m. the Board adjourned to meet on Wednesday, July 25, at 11 a. m.

APPROVED:

H. P. Berwick  
Secretary.

Chairman.