At a regular meeting of the Federal Reserve Board held in the office of the Governor on Tuesday, August 26, at eleven a.m.,

PRESENT:

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

The minutes of the meeting of the Board held on August 23, were read and, on motion, approved.

The minutes of the meetings of the Executive Committee held on August 23, August 24 and August 27, were read and, on motion, approved and the action therein set forth ratified.

The minutes of the hearing before the Board held on August 24, were read and, on motion, approved and ordered passed to file.

The question of purchasing Canadian trade acceptances, made a special order for this meeting, was, on motion, laid on the table.

Mr. Warburg presented a memorandum with reference to the policy to be pursued in connection with the regulation of American banks operating in foreign countries. He was
instructed to prepare a letter along the same lines as his memorandum, presenting the general view of the subject therein set forth.

A letter from Governor Strong of the Federal Reserve Bank of New York, requesting the Board's approval of the designation of the Bank of Italy as foreign correspondent of the New York Bank, under specified conditions, was approved, subject to the agreement of the comptroller of the Currency who was not in the room at the time the action was taken.

On motion, the appointment of Miss Pauline McLinden as a member of the staff of the Statistical Division, was approved, and the Secretary of the Board was authorized to continue for two weeks the two temporary employees who are now at work in the Statistical Division.

Upon recommendation of the Committee on Investments, the application of the American National Bank of Cordele, Ga., for power to accept drafts and bills of exchange, under the provisions of the Federal Reserve Act, up to 100% of its capital and surplus, was approved.

Upon recommendation of the Committee on Investments, the Board voted approval of the ruling of Federal Reserve Agent Perrin that notes given by Farm Loan Banks and secured
by Farm Loan Bonds were not discountable at Federal Reserve Banks.

Upon recommendation of the Committee on Staff, the appointment of Granville M. McClarren as national bank examiner in District No. 10, at a salary of $2,400 per annum, effective when the appointee assumes duty, was approved.

Salary increases at the Federal Reserve Bank of Chicago, transmitted by Governor McDougal in a letter of August 24, were, on motion, approved with the understanding that no notification be transmitted until the return of Mr. Delano to the city.

Changes in capital stock at Federal reserve banks, duly recommended by the Committee on Membership, were, on motion, approved as follows:

Applications for surrender of stock.

<table>
<thead>
<tr>
<th>District No. 5.</th>
<th>Shares</th>
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<tr>
<td>Williamstown Natl Bank</td>
<td>Williamstown, W.Va.</td>
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Upon favorable recommendation of the Committee on Membership, the application of the American Trust Company of Boston, Mass., for membership in the Federal reserve system, was, on motion, approved and the Company ordered admitted subject to the requirements specified by the Committee in its report.
A letter addressed to Governor Strong with reference to the proposed renewal of French short term credits, was read and, on motion, approved and ordered sent. It was agreed that the Governor of the Board should bring to the attention of the Comptroller of the Currency the question of the necessary instructions to be given to national bank examiners as the result of this letter.

Mr. Hamlin reported that he had considered the memorandum submitted by the Treasurer of the United States with reference to the receipt of Federal reserve notes into the National Bank Redemption Fund, and believed such receipt to be lawful. It was informally agreed to approve Mr. Hamlin's report with the understanding that he prepare a more formal report as Chairman of the Committee on Law in form suitable for publication.

On motion, the minutes of a meeting of the Committee on Clayton Act, held on August 29, were presented and passed, the application of Mr. J. A. Rendle of Denver, Colorado, being accordingly approved.

On motion, at 12, noon, the Board adjourned to meet on Wednesday, August 29, at eleven a.m.

APPROVED:

Chairman.

Secretary.