

At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, August 28,⁹ at 11.15 a.m.,

PRESENT:

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

The minutes of the meeting of the Board held on August 28 were read and, on motion, approved.

Governor Harding presented business which was acted upon as follows:

A letter received from the Comptroller of the Currency, dated August 28, with reference to the arrangement of space in the Board's new quarters, and with special reference to the transfer of Mr. Buchanan from his present rooms. The letter was passed to file.

A letter from the Comptroller of the Currency, dated August 28, undertaking to grant the Federal Reserve Bank of San Francisco permission to furnish to the manager of the Spokane Branch of that Bank copies of the reports of examination of national banks located in the territory assigned to the Branch, on condition that the copies be furnished the

manager in confidence for the use of himself and his credit staff only.

The question of the forthcoming meeting of the Advisory Council, suggesting that there would be difficulty in making up a preliminary programme in view of the rapid change in conditions now in progress. It was agreed that the Governor write the President of the Advisory Council to this effect, suggesting a meeting for general discussion, governed by circumstances as they may develop.

The question of the annual renewal of permits under the Clayton Act, raised by an inquiry received from the First National Bank of Gainesville, Florida; referred to Counsel for report.

Changes in capital stock at Federal reserve banks were, on recommendation of the Committee on Membership, approved as follows:

Applications for original stock.

<u>District No. 12.</u>		Shares
National Bank of	Ellensburg, Wash.	33

Upon recommendation of the Committee on Membership, the Exchange Savings bank of Mt. Pleasant, Iowa, was, on motion, admitted to membership in the Federal re-

serve system, upon conditions named by the Committee in its report, and the Secretary directed to send the usual advice accordingly.

Mr. Warburg read a memorandum with reference to the purchase of Canadian trade acceptances, and after discussion it was agreed that a copy of the memorandum be sent to Governor Fancher, who had brought the matter to the attention of the Board, for such comment as he might have to offer, the Governor to transmit the memorandum as the personal recommendation of Mr. Warburg.

Mr. Warburg read a memorandum with reference to the regulation of American banks organized to do business in foreign countries. The memorandum was discussed and modified and, on motion, adopted, subject to such further change in phraseology as the Governor might think best. It was further agreed that the representatives of two foreign trade banks, who expect to visit Washington in the near future, be advised of the contents of the memorandum at a conference to be held with them.

The Secretary of the Board read a memorandum of Chief Examiner Broderick with reference to the examination of state member banks. On motion, the plan of the memorandum was ad-

opted in general, with the understanding that the Board's policy would be to require a minimum of one examination per annum in the case of each bank, power being reserved to call for more if necessary.

Governor Harding presented a letter addressed to the Department of State with reference to the recommendation recently made by the Swedish Chamber of Commerce regarding exchange in Sweden. It was agreed that the letter be revised and re-submitted at the next meeting of the Board.

The Assistant Counsel of the Board presented a letter from Federal Reserve Agent Ferrin with reference to the liability for checks drawn on failed Seattle banks, in which it was stated that the Federal Reserve Bank of Chicago had been asked to submit the controversy to the Board for arbitration, but had declined, legal proceedings being further suggested as the only remaining course. It was agreed that the Governor write the Chicago Bank asking their reasons for their declination to arbitrate the controversy with the San Francisco Bank regarding these checks.

A letter from Messrs. Bernhard, Scholle & Company

relative to the proposed form of stamp across the face of domestic bankers' acceptances, was read and discussed, but no final action taken.

On motion, at 12.40 p.m. the Board adjourned to meet on Thursday, August 30, at eleven a.m.

APPROVED:

Chairman.

A. P. ...
Secretary.