

At a regular meeting of the Federal Reserve Board held in the office of the Governor on Tuesday, September 25, at eleven a.m.,

## PRESENT:

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

During the latter part of the meeting present also Mr. Warburg and Mr. Williams.

The minutes of the meeting of the Board held on September 20 were read and on motion, approved.

The minutes of the meetings of the Executive Committee held on September 21 (morning and afternoon), 22, and 24, were read and, on motion, approved.

The minutes of the joint session of the Advisory Council on September 18 were reported by Mr. Delano and ordered filed.

A telegram sent by the Secretary of the Treasury to Federal Reserve banks relative to the date of beginning the Liberty Loan campaign, was read and noted.

A telegram from the Federal Reserve Bank of Cleveland proposing new rates on 15 and 90 day paper secured

by Government obligations, and a letter from the Federal Reserve Bank of Kansas City proposing a new rate on member bank 15 day collateral notes, were referred to the Executive Committee with instructions to report on all 15 day rates now in effect at reserve banks.

A letter from Mr. N. D. Winter with reference to methods of relieving mutual savings banks in time of stress, was read and, on motion, referred to the Executive Committee.

A telegram from Mr. C. E. Peabody accepting, and a telegram from Mr. E. G. Ames declining appointment to the directorate of the Seattle Branch, were read and, on motion, Mr. Miller asked to present a new nomination in place of Mr. Ames.

Mr. Miller reported with reference to the directorate of the Portland Branch, nominating Mr. W. B. Ayer and Mr. Thos. C. Burke. On motion the two nominees were elected, the Governor to notify them and the Federal Reserve Bank of San Francisco.

A telegram from Federal Reserve Agent Perrin relative to making applications for designation as reserve agent under the Oregon State law, was referred to the Executive Committee with power to act.

The action of the board of directors of the Federal Reserve Bank of New York naming Mr. R. M. Gidney special examiner, and accepting the examinations of the State of Connecticut, were presented and, on motion, approved.

On motion, it was voted to authorize a new edition of the Index Digest, the following minute being ordered entered:

A report was read by Mr. Hamlin on the matter of printing the second edition of the Index-Digest of the Federal Reserve Act, containing approximate estimates of cost from the public printer. It was thereupon voted that the Board have printed by the Public Printer the Index-Digest, the number of copies to be determined upon by the Executive Committee, after hearing from the banks in response to a notice to be inserted in the Bulletin. The price to be fixed at \$1.25 per bound volume, and \$1.00 per unbound volume.

On motion, a notice regarding the Index Digest was authorized inserted in the forthcoming issue of the Bulletin.

The report of Chief Examiner Broderick relative to the examination of the Federal Reserve Bank of Minneapolis was presented and, on motion, referred to the Committee on Operation of the Federal Reserve Bank of Minneapolis.

A letter addressed by Governor Harding to Federal Reserve Agent Wellborn relative to the status of Mr. W. H. Toole, was read and noted.

A letter addressed by Assistant Secretary of the Treasury Newton to members of the staff of the Treasury Department relative to contributions for soldiers, was referred to the Committee on Staff.

A letter from Federal Reserve Agent Perrin with reference to the acceptance of State bank examinations at San Francisco, was ordered sent to Mr. Broderick for expression of his opinion.

The minutes of the meeting of the Clayton Act Committee held on September 20 were read and, on motion, approved.

Upon recommendation of the Committee on Investment, the application of the First National Bank of Utica and the City National Bank of Dallas for power to accept up to 100% of capital and surplus, were approved.

A report of the Committee on Staff relative to

changes in the messenger force of the Board was read and, on motion, approved and the changes ordered made.

A report of the Committee on Federal Reserve Note Issue relative to the giving of early notice of future shipments, was read and, on motion, approved, the Governor to transmit the same to the Comptroller of the Currency.

Mr. Miller presented business as follows:

An opinion of Counsel as to the meaning of the recent opinion of the Attorney General as to interlocking directorates of State Banks; ordered printed in the Bulletin.

Replies from the banks which had received the recent letter regarding the reduction of maturities of short term paper from 6 to 4 months; referred to the Committee on Bulletin for publication in the forthcoming issue.

A draft of a letter to Mr. J. F. Burke, representing the clearing house banks of Pittsburgh, regarding the branch at that point; agreed that a committee of the Board visit Pittsburgh early in October, a preliminary letter to be sent meanwhile.

A letter from Hon. R. L. Owen asking the opinion

the opinion of the Board as to Senate Bill 2908, introduced by Mr. Calder; referred to the Committee on Legislation for report.

A letter from the Secretary of the Treasury as to the readjustment of the currency and coinage of the United States; voted that Messrs. Miller and Warburg, with the Secretary of the Board as Secretary, constitute a special committee to investigate the question, and that they consult with the Comptroller of the Currency.

A request from the Secretary of the Treasury that the Assistant Secretary of the Board be detailed to accompany him on the forthcoming Liberty Loan trip; voted that the Assistant Secretary be directed to join the Secretary of the Treasury accordingly.

On motion, the Committee on Staff was authorized to make such appointments and readjustments as may be necessary to take care of the work during the absence of the Assistant Secretary.

An opinion of Counsel with reference to a ruling of State authorities in Illinois concerning the exercise of trustee powers by national banks; referred to the Committee on Law with the aid of Counsel.

A letter from Federal Reserve Agent Martin relative to the application of the First State Bank of Brownsville, Tennessee, for membership; voted that the Governor reply stating that more information about the bank is desirable, and that the Board prefers the bank should operate for a time before acting on its application.

An opinion of Counsel relative to the right of a Federal reserve bank to renew 15 day notes of member banks, and holding that this is within the power of Federal Reserve Banks; approved.

Mr. Hamlin announced that on Thursday and Friday of the current week he expected to join the Japanese Commission on a visit to New York.

On recommendation of the Committee on Membership, the following banks were admitted to the Federal reserve system:

Canal Bank & Trust Company of New Orleans; on conditions named by the Committee, subject to modifications with respect to the amount of acceptances to be made by them, such provisions to correspond with previous action of the Board in similar cases.

The Metropolitan Bank of New Orleans; under the same conditions as the preceding.

The Union Bank of Pike, Summitt, Mississippi; upon the terms named by the Committee.

The application of the Bank of East St. Louis, which was presented with a letter from Chief Examiner Broderick suggesting that the matter be held up pending further information, was referred to Mr. Delano and laid on the table pending report.

Discussion of the question of detailing Chief Examiner Broderick to certain Red Cross work ensued, the opinion of the Board being that he could not be spared at this time.

On motion, at 1.20 p.m. the Board adjourned to meet on Wednesday, September 26, at eleven a.m.

APPROVED:

Chairman.

*A. P. ...*  
Secretary.