

At a regular meeting of the Federal Reserve Board held in the office of the Governor on Friday, September 26, at 11.12 a.m.,

PRESENT:

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

The minutes of the meeting of the Board held on September 26 were read and, on motion, approved.

The minutes of the meeting of the Executive Committee held on September 26, morning and September 27, morning and afternoon, were read and, on motion, approved and the action therein set forth ratified.

The minutes of the meeting of the Executive Committee held on September 26, afternoon, were read and discussed with reference to the action taken in ratifying the appointment of Mr. J. H. Case as Deputy Governor of the Federal Reserve Bank of New York. On being put to a vote, the minutes were approved and the action therein set forth ratified.

Governor Harding made a statement to the Board relative to notices appearing in the New York American of September 27, concerning his address at Atlantic City, in which certain alleged remarks with reference to the Comptroller of the Currency were reported. Mr. Harding said that the report was garbled and erroneous, giving a false idea of what he had said, and requesting the entering of a minute to that effect.

The docket for the day being taken up, it was, on motion, voted that each member of the Board report his recommendations as to filling vacancies in the directorates of the banks of which he is in charge, at the end of the current year, not later than Tuesday, October 9, the matter to be a special order for the meeting of that date.

The question of paying the cost of Treasury Department telegrams relating to gold export matters, was referred to the Executive Committee with power to act.

The Secretary of the Board made a statement with

respect to the question of sending out gold export regulations to reserve banks. No further action was taken.

A letter from the Bureau of Efficiency with respect to a conference regarding the status of employees under draft, was referred to the Committee on Staff.

A report of the Committee on Issue and Redemption in favor of giving notice in advance to the Post Office Department when shipments are made, was again laid before the Board with informal approval of all members, and the Secretary directed to enter a minute to the effect that it should be transmitted by the Governor to the Comptroller of the Currency.

A report of the Committee on Staff was approved and ordered entered in the minutes as follows:

In view of the fact that the Board has directed the Assistant Secretary of the Board to join the Secretary of the Board to join the Secretary of the Treasury on his approaching Liberty Loan trip October 1-27, it is recommended that Mr. William M. Imlay of the Division of Audit and Examination, be appointed Acting Assistant Secretary during the absence of Mr. Allen, with authority to sign in all those cases in which Mr. Allen signs on behalf of the Board as Assistant Secretary.

Governor Harding presented business as follows:

A communication from the Comptroller of the Currency suggesting the propriety of ordering copies of his call for

condition of State banks for the use of Federal Reserve Banks in distributing to members; ordered that 8,000 copies or more as needed, be ordered.

A letter of Director Kettig of the Federal Reserve Bank of Atlanta suggesting a conference with Federal Reserve Agent Wellborn; on motion, it was voted that Governor Harding telegraph Mr. Wellborn suggesting that he visit Washington on October 1 for a conference.

A letter from Director Saunders of New Orleans complaining of the lack of subsidiary silver and one dollar bills; considered but no action taken.

7 A letter from Governor Seay of Richmond as to the reduction of capital stock requirements for national banks in places of specified population; also a letter from Senator McNary of Oregon on the same topic; referred to the Committee on Legislation.

A letter from Governor Aiken regarding the use of gold coin in payments at Christmas, for presents; referred to the Governor with the suggestion that he advise against any change in practice at this time.

A letter from Governor McDougal stating that he had disposed of the bulk of the Chicago bank's "overage" of

bonds, and outlining his plan to sell these bonds on a 60 day basis; referred to the Governor with instructions to write a letter to Governor McDougal approving the plan.

A letter from Governor Miller of Kansas City with reference to reserve deficiencies in the Kansas City District and the collection of penalties against them; referred to the Secretary with instructions to prepare a tabular statement of all letters of the sort thus far received and transmit it to the Committee on Reports and Statistics.

A letter from Secretary of the Federal Reserve Bank of New York notifying the Board that Mr. J. H. Case had been elected Deputy Governor of the New York Bank at \$25,000 per annum, and that Governor Strong's salary had been raised to \$50,000, was presented.

On motion, it was voted to approve the salary of \$25,000 for Mr. Case as Deputy Governor of the Federal Reserve Bank of New York.

The question of the increase in salary for Governor Strong was referred to the Committee on Staff for reply and recommendation.

A letter from Mr. J. F. Burke of Pittsburgh suggesting the postponement of the proposed visit of Mr. Harding

and Mr. Delano until after October 9, was read.

The Comptroller of the Currency referred to the communication he had made to the Secretary of the Treasury as to enlarging the supply of one dollar bills and to his letter of September 20 on the subject, copy of which had been furnished the Committee on Law on September 21.

Upon recommendation of the Committee on Membership, the Chicago Savings Bank and Trust Company was ordered admitted to the system under conditions named by the Committee in its report.

The following applications for changes in stock in Federal Reserve Banks, duly recommended by the Committee on Membership, were approved:

<u>District No. 2.</u>		Shares
First National Bank	Bellmore, N.Y.	<u>19</u> 19
<u>District No. 7.</u>		Shares
First National Bank	Niagara, Wis.	<u>18</u> 18
<u>District No. 12.</u>		Shares
First National Bank	Ririe, Idaho.	<u>15</u> 15
	Total	52

On motion, at 1.07 p.m. the Board adjourned to meet on Tuesday, October 2, at eleven a.m.

APPROVED:

Chairman.

H. Parker Willis

Secretary.