

At a meeting of the Federal Reserve Board held in the office of the Governor on Tuesday, October 2, at eleven a.m.,

PRESENT:

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

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

On motion the report regarding the redesignation of reserve cities which had been made a special order for this meeting, was laid on the table until the meeting of Wednesday, October 3.

Governor Harding reported an informal conversation with Senator Page regarding the effect of Government bond issues on mutual savings banks, and that he had discussed with Mr. Page the desirability of having a subcommittee of the Senate Banking and Currency Committee appointed to consider the subject during the recess of Congress.

A letter from Governor Rhoads regarding the Board's policy with reference to rates on collateral notes secured by Government 4 $\frac{1}{2}$ bonds and certificates, was read and, on

motion, referred to the Committee on Law.

A letter from Governor Strong with reference to the pending Calder Bill providing for loans under certain conditions on stock exchange collateral by Federal Reserve Banks, was read and noted.

A request from Mr. N. Musher for a hearing before the Board was presented and Governor Harding read to the Board a form of letter now used by him in answering inquiries with reference to the establishment of a foreign exchange bureau. No action was taken.

A letter from Federal Reserve Agent Perrin informing the Board of the appointment of Mr. C. H. Morrison at a salary of \$200 per month in his department at the Federal Reserve Bank of San Francisco, was read and, on motion, referred to the Committee on Staff, which reported it back with approval, and the proposed salary was accordingly approved, such approval to be entered in the minutes.

Governor Harding read a letter from Mr. S. C. Neale of Washington asking for a hearing before the Board on behalf of certain New York owners of mines and smelters in Mexico. Further communication was had with some of the applicants by telephone, and it was informally agreed to

hold such a hearing at ten o'clock on Wednesday, October 3.

A letter from Federal Reserve Agent Perrin with reference to the establishment of a local advisory council in the twelfth district was, on motion, referred to the law Committee with power to act.

A letter from Federal Reserve Agent Perrin and a memorandum from Mr. Miller accompanying it, with reference to the filing of copies of examinations at branch banks, was read, and it was agreed that Mr. Miller reply calling attention to the Board's action on that subject.

Changes in capital stock at Federal Reserve Banks, duly recommended by the Committee on membership, were approved as follows:

Applications for Original stock.

<u>District No. 9.</u>		Shares
Stillwater Valley Natl Bank	Absarokee, Mont.	16

Applications for Surrender of Stock.

<u>District No. 5.</u>			
Citizens National Bank	Batesburg, S.C.	<u>22</u>	22
<u>District No. 9.</u>			
Farmers National Bank	Sidney, Mont.	<u>18</u>	<u>18</u>
	Total		40

On motion, the bank of Williston, Williston, N. D., was ordered admitted to the Federal Reserve System upon the

conditions named by the Committee on Membership.

On motion the minutes of the Committee on Clayton Act relating to the meeting on September 28 were read and approved and the action therein set forth ratified.

A report from the Committee on Staff authorizing the appointment of two additional counters in the Division of Federal Reserve Note Issue and Redemption, such counters to be selected by the Comptroller of the Currency, at a salary of not over \$900 each, was read and, on motion, approved, and the appointments authorized.

Mr. Harding presented a letter from the Federal Reserve Bank of Kansas City with reference to the redemption of light weight gold coin, stating that that bank would join in the same movement. The subject was discussed but no final action taken.

A letter from Assistant Secretary of the Treasury Crosby with reference to the proposal to make some special interest-bearing certificates of indebtedness available for the use of large tax payers who are obliged, under existing conditions, to keep considerable sums of money idle pending the falling due of their taxes, was read and,

on motion, referred to a special committee named by the Governor, and consisting of Messrs. Miller and Delano, with instructions to report.

The question of changing the hours and days for the meetings of the Board was discussed and, on motion, made a special order for the meeting of Tuesday, October 9.

The Secretary of the Board read a statement prepared by the Division of Statistics recommending that where there is more than one branch of a Federal Reserve Bank in a district, it should report on Saturday direct by wire to the Federal Reserve Board, and, on motion, the change in the present method was approved.

Telegrams from the National Association of Credit Men asking for a statement of the Board's past expressions on trade acceptances; and from Mr. L. E. Pierson calling attention to the harmful effects of the proposed stamp tax on the trade acceptance, were read.

The application of the Guaranty Trust Company for admission to the Federal Reserve System was presented by the Governor, and discussed in some detail, together with a report from the Division of Audit and Examination regarding the condition of the company. It was agreed to lay the matter

on the table until the meeting of Wednesday, October 3
for further study and analysis.

On motion, at 12.23 p.m. the Board adjourned to
meet at eleven a.m. on Wednesday, October 3.

APPROVED:


Secretary.

Chairman.