

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, September 26th, at 11:00 a.m.

PRESENT: Governor Crissinger
 Mr. Platt
 Mr. Hamlin
 Mr. James
 Mr. Cunningham
 Mr. Dawes
 Mr. Eidy, Executive Secretary

PRESENT ALSO BY INVITATION:
 Mr. John H. Guill, Jr.,
 Mr. L. J. Pettijohn,
 Mr. Elmer S. Landis,
 Mr. M.L. Gorey, (Members of the Federal
 Farm Loan Board.)

Mr. Corey, acting as spokesman for the Federal Farm Loan Board, outlined the activities and loaning and operating policies of the Federal Intermediate Credit banks, and requested that the Board send out an advice to all Federal Reserve banks to the effect that debentures issued by the Federal Intermediate Credit banks are a proper investment for Federal Reserve bank funds.

Following a general discussion of the eligibility for purchase by Federal Reserve banks of the debentures issued by Federal Intermediate Credit banks, the Governor appointed Messrs. James, Platt and Hamlin as a special committee to draft a resolution on the subject to be presented at the next meeting of the Board.

At this point the members of the Farm Loan Board withdrew from the meeting.

The minutes of the meeting of the Federal Reserve Board held on Tuesday, September 25th were read and approved, as amended.

Letter dated September 20th, from the Governor of the Federal Reserve Bank of Philadelphia, requesting approval of a proposed arrangement with the First National Bank of Scranton, Pa., which contemplates the establishment in Scranton of a \$2,000,000 revolving fund for the purpose of facilitating the furnishing of currency to member banks located in Scranton and vicinity.

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Referred to the Law Committee for discussion of the matter with Governor Norris.

The Governor called attention to a number of matters pending before the Board concerning the housing and operations of certain branch Federal Reserve banks.

Following a general discussion of these subjects, the Governor appointed a permanent committee on branch Federal Reserve banks composed of Messrs. Hamlin, James and Cunningham, and the committee was instructed by the Board to request Counsel to render an opinion as to whether the Federal Reserve Board can discontinue Branch Federal Reserve banks, and if not, whether the Federal Reserve banks having branches can discontinue them.

The Committee was also instructed to request the Attorney General of the United States to render an opinion on the same subject after opinion has been rendered by the Board's Counsel.

The Governor then called attention to several items of unfinished business and the Board ordered stricken from the daily docket the following items, with the understanding that they may be re-introduced for consideration and determination at any meeting of the Board by the Committees to which previously referred:

(1) Investigation of Insurance at Federal Reserve Banks. (Referred to Committee on Economy and Efficiency.)

(2) Consideration of Economies in Federal Reserve Agents' Departments. (Referred to Committee on Economy and Efficiency.)

(3) Report on Recommendation made by the Federal Advisory Council concerning the Legality and Continuance of Federal Reserve banks purchasing Bankers' Acceptances with Agreement to resell.

(4) Proposal of Federal Reserve Bank of Atlanta to provide space in its new building to house the staff of the Chief National Bank Examiner of the Seventh Federal Reserve District.

The Governor designated Mr. James to serve, during the absence of Mr. Miller, on the Committee on Discount and Open Market Policies.

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REPORTS OF STANDING COMMITTEES:

Dated Sept. 25th, 26th, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated Sept. 26th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

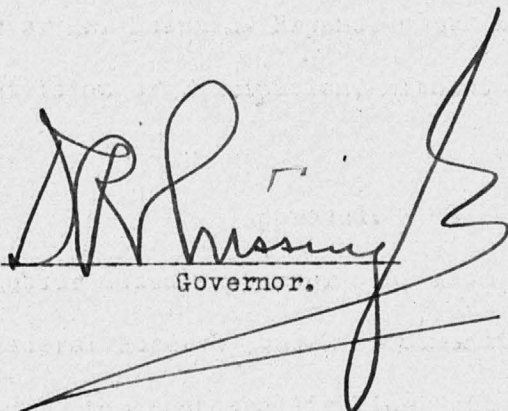
Approved.


Dated Sept. 26th, Recommending action on application for admission of state bank, subject to the conditions stated in the individual reports attached to the application, as set forth in the Auxiliary Minute Book of this date.

Approved.

The meeting adjourned at 12:30 p.m.

Approved:


Governor.


Executive Secretary.