

At a regular meeting of the Federal Reserve Board, held in the office of the Board at 3.15 p. m. on Tuesday, March 9,

PRESENT:

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

By previous agreement the meeting was primarily devoted to a discussion of the question of rates of rediscount between Federal reserve banks. The special report prepared by Mr. Harding regarding the discount situation in the South was reread, and also the letter written by Mr. J. B. Forgan, President of the Advisory Council.

The chief point in the discussion was whether a fixed rate of 4% should be established, valid between all Federal reserve banks, or whether there should be allowed a spread of rates between 2 and 4%, the actual rate to be charged being left to negotiations between the several institutions. Mr. Miller moved that the rate be fixed at a point not to exceed the rate established by each Federal Reserve bank for its own district. A recorded vote being taken, there voted in the affirmative Messrs. McAdoo, Miller, Williams, and in the negative Messrs. Harding, Warburg and

Delano. The vote was declared a tie.

Mr. Harding moved to fix the rate of rediscount at $4\frac{1}{2}$ flat as between Federal Reserve banks. A recorded vote being taken there voted in the affirmative Messrs. Delano, Harding and Warburg and in the negative Messrs. McAdoo and Williams. The chairman having asked Mr. Miller his position was informed that he was inclined to vote in the affirmative. By courtesy, Mr. Hamlin, being absent, it was agreed to defer action until a full meeting on March 10.

Mr. Delano moved to permit Federal reserve banks to rediscount with other Federal reserve banks at one-half of one percent less than the rates prevailing in the district of the borrowing bank. The motion was withdrawn. Mr. McAdoo announced to the Board the passage by Congress of an appropriation for the holding of a South American financial congress and stated that acceptances had been obtained from practically all of the nations of the Western Hemisphere. The Secretary of the Treasury, he stated, had the right to invite the bankers of the Country to participate and the Federal Reserve Board would be requested to participate as a body, the date of the conference being May 10.

An application of the Federal Reserve Bank of Cleveland for Federal reserve notes, duly recommended by the Com-

mittee on Issue and Redemption, was approved as follows:

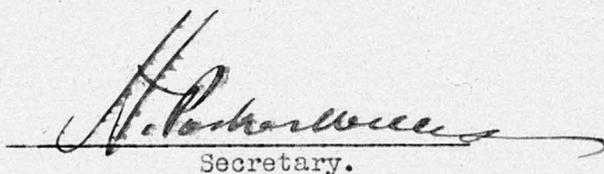
Twenty dollar denomination.....\$800,000

Applications for designation as executor, trustee, etc., duly recommended by the Counsel of the Board and presented by Mr. Harding, were approved, subject to the subsequent approval of the Comptroller of the Currency, as follows:

City National Bank	Plattsburgh, N. Y.
First National Bank	Boston, Mass.
National Shawmut Bank	Boston, Mass.
Merchants National Bank	Dover, N. H.
Middletown Nat'l. Bank	Middletown, Conn.
First National Bank	Wallingford, Conn.
First National Bank	Concord, N. H.
Keene National Bank	Keene, N. H.
Union Market Nat'l. Bank	Watertown, Mass.
Worcester National Bank	Worcester, Mass.
Manufacturers Nat'l Bank	Waterbury, Conn.
Second National Bank	New Haven, Conn.
National Bank of Danville	Danville, Va.
City National Bank	Knoxville, Tenn.
District National Bank	Washington, D. C.
National Exchange Bank	Roanoke, Va.
Virginia National Bank	Petersburg, Va.
Citizens National Bank	Covington, Ky. —
United States National	Denver, Colo.

The question of appeals from the decision of the Organization Committee in applications for redistricting, were considered with the view to securing prompt action thereon, and Mr. McAdoo indicated a desire to postpone action until he could examine the papers and opinions already filed with the Board.

The question of a final decision as to rates of rediscount between Federal reserve banks was made a special order for the next meeting of the Board, and on motion at 5.45 p. m. the Board adjourned to meet at 3.00 p. m. on Wednesday, March 10.


Secretary.

APPROVED:

Chairman.