

At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, March 10 at 3.00 p. m.

## PRESENT:

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

The minutes of the meeting of 11.15 a. m. Monday, March 8th, 11.15 a. m. Tuesday, March 9th and 3.15 Tuesday March 9th were read and approved, with corrections.

Data collected by Mr. Harding with reference to exchange charges at Beatrice, Nebraska were presented to the Board, and on motion referred to Mr. Williams and Mr. Harding with power to take such action as conditions might demand.

On motion of Mr. Harding it was voted to reconsider action taken at the afternoon meeting of Tuesday, March 9th, relative to rates of rediscount between Federal reserve banks and to take up the subject afresh.

Mr. Miller thereupon offered the following motion:

"Section II, paragraph b, authorizes and empowers the Federal Reserve Board:

To permit, or, on the affirmative vote of at least five members of the Reserve Board, to require Federal reserve banks to rediscount the discounted paper of other reserve banks at rates of interest to be fixed by the Federal Reserve Board.

In accordance with the authority hereby granted, the Federal Reserve Board will permit any Federal Reserve Bank to rediscount the discounted paper of any other Federal reserve bank at the same rates of interest for the same classes of paper at which it discounts for its own member banks. Federal Reserve banks desiring to engage in rediscount transactions with other Federal reserve banks shall inform the Federal Reserve Board, which will serve as a medium of communication among Federal Reserve banks for this purpose.

Discussion of the motion ensued.

Mr. Delano having suggested for consideration a substitute for Mr. Miller's pending motion, Mr. Hamlin presented it formally as follows:

"The Federal Reserve Board has ruled that it will not at present name rates for the rediscount of commercial paper by one Federal reserve bank for another. Applications for rediscounts shall be filed with the Federal Reserve Board and loans shall be offered and apportioned to the other Federal reserve banks by the Federal Reserve Board."

The vote on this motion resulted as follows: Affirmative: Messrs. McAdoo, Williams and Hamlin; Negative, Messrs. Harding, Warburg, Miller and Delano, so the substi-

tute was defeated.

Mr. Warburg offered as an amendment in the nature of a substitute, the same to take the place of the pending resolution of Mr. Miller, the following:

"The Federal Reserve Board will today fix a rate of rediscount for the present between Federal reserve banks of three and one-half percent for paper up to thirty days and four percent for paper of maturities over thirty days and up to ninety days. All applications for rediscounts are to be filed with the Federal Reserve Board, the Board reserving the right to apportion the applications for rediscount among other Federal reserve banks."

On being put to a vote the substitute for Mr. Miller's motion was unanimously carried. The Secretary was instructed to send out the decision of the Board as a telegram to all Federal reserve agents and to give the same to the press.

Several members of the Board having filed statements descriptive of their position and action in regard to the question of rediscounts between Federal reserve banks, the same are hereto attached as an addendum, accompanied by other documents on the same subject.

Discussion of the question of appeals from the Organization Committee decision was next taken up and a tentative understanding that prompt action should be had was arrived at.

The report of the examination of the Federal Reserve Bank of Richmond was referred to the Committee on Audit and Examination.

Applications for reduction, surrender and increase of capital stock were approved, as follows:

<u>Surrender.</u>	<u>Shares</u>
National Mahaiwe Bank	Great Barrington, Mass. 60
First National Bank	Islip, N. Y. 12
First National Bank	Edgewater, N. J. 9
First National Bank	Sea Bright, N. J. 1
First National Bank	Delmar, Del. 1
First National Bank	McAdoo, Pa. 1
Grange Nat'l Bank, Susquehanna Co.	New Milford, Pa. 1
First National Bank	Three Springs, Pa. 3
Dillsburg National Bank	Dillsburg, Pa. 12
First National Bank	Bainbridge, Pa. 1
First National Bank	Goldsboro, Pa. 3
First National Bank	Carbondale, Pa. 90
Broad & Market National Bank	Newark, N. J. 18
Farmers & Merchants Nat'l Bank	Rockwood, Pa. 2
Exchange National Bank	Lodi, Ohio 9
Farmers National Bank	Emlenton, Pa. 3
Grange National Bank	Spartansburg, Pa. 2
First National Bank	Bridgeville, Pa. 3
First National Bank	Sutersville, Pa. 3
First National Bank	McKeesport, Pa. 180
First National Bank	Indiana, Pa. 12
First National Bank	Rochester, Pa. 3
Butler County National Bank	Butler, Pa. 150
Shelby National Bank	Shelby, N. C. 6
American National Bank	Louisville, Ky. 45
First National Bank	Salem, S. D. 3
City National Bank	McAlester, Okla. 6
Citizens National Bank	Stamford, Texas. 9
First National Bank	Hallettsville, Texas 3

IncreasesDISTRICT No. 4.

Shares

Bell National Bank	Pineville, Ky	15
Dresden National Bank	Dresden, Ohio	1
Citizens National Bank	McConnelsville, Ohio	1
First National Bank	Mingo Junction, Ohio	3
Peoples National Bank	Steubenville, Ohio	3

DISTRICT No. 6.

First National Bank	St. Petersburg, Fla.	9
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DISTRICT No. 9.

First National Bank	Ellsworth, Minn.	3
First National Bank	Hancock, Minn.	1
First National Bank	Warren, Minn.	6

DISTRICT No. 11.

First National Bank	Blossom, Texas	18
Clyde National Bank	Clyde, Texas	2
City National Bank	Decatur, Texas	2
First National Bank	Lewisville, Texas	1
First National Bank	Lockhart, Texas	2
First National Bank	McKinney, Texas	6
First National Bank	Rhome, Texas	1
Groos National Bank	San Antonio, Texas	4
Home National Bank	Stanton, Texas	1
Yoakum National Bank	Yoakum, Texas	3
First State Bank	Dallas, Texas	4

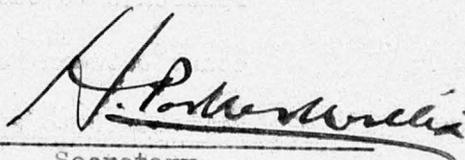
DISTRICT No. 12.

Hailey National Bank	Hailey, Idaho	1
First National Bank	Malad, Idaho	2

The following applications for stock in Federal Reserve banks have been found in proper form and have been approved by the Federal Reserve Board:

First National Bank	Lebanon, Mo.	19
First National Bank	Atmore, Ala.	12
Exchange National Bank	Marietta, Pa.	90

On motion, at 5:45 p. m. the Board adjourned to meet at 11:00 a. m. Thursday, March 11.

  
Secretary.

APPROVED:

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Chairman.

In accordance with an understanding to that effect, members of the Board filed statements explanatory of their position with reference to the question of rates of rediscount between Federal reserve banks. These statements together with correspondence bearing upon the same subject, will be found in the files of the Board as an "addendum" to the minutes of March 10, 1915.