

At a regular meeting of the Federal Reserve Board, held in the office of the Board at 11.15 a. m. on Friday, March 12,

PRESENT:

Mr. Delano, presiding, Mr. Harding

Mr. Warburg Mr. Miller

Mr. Willis, Secretary.

The minutes of the meeting of 11.15 a. m. Thursday, March 11th, were read and approved.

Mr. Delano reported the existing status with reference to work on the circular providing for admission of State banks to the Federal Reserve system.

The Secretary of the Board read a letter from the Secretary of the Treasury, Mr. McAdoo, stating his position with reference to the appeal of the northern New Jersey banks for redistricting, and also his position with reference to the rate of rediscount between Federal Reserve banks, with the request that the latter be recorded in the minutes.

The Secretary of the Board was instructed to distribute to each member of the Board a copy of the unamended minutes of the meeting of Wednesday afternoon, March 10th, including therein however, the language suggested by Secretary McAdoo, with reference to his own position.

The Board resumed discussion of the rate of rediscount between Federal Reserve banks and the Secretary of the Board read telegrams and a letter from various Federal reserve banks relating to the subject. Mr. Harding also reported the substance of a conversation with Governor McCord of the Federal Reserve Bank of Atlanta. The principle involved in the action taken was rediscussed. In view of a possible misunderstanding on the part of Federal Reserve banks as to the nature of the action taken on March 10th, the Secretary of the Board was instructed to send a wire to each Federal reserve agent stating that the action related only to voluntary rediscounts between banks.

On motion, the question of appeals in the restricting matter was laid on the table until Saturday, March 13th.

Mr. Delano reported the receipt of a message from the Governors of reserve banks in conference in this City, to the effect that they would like an opportunity of conferring with the Board. It was informally agreed that the Governors should be informed that such members of the Board as are in their offices at four o'clock on the afternoon of this day, would be glad to meet informally in the Board room with such Governors as might feel disposed to attend.

It was indicated that the Governors had a large number of topics before them.

Mr. Warburg suggested the desirability of naming sub-committees of the Board to deal with the more important of these subjects.

At this point a bulletin announcing the success of the operation performed upon Secretary of the Treasury McAdoo at Providence Hospital was read to the Board. The Secretary was ordered to record a minute expressive of the satisfaction of the members at receiving this news.

The Secretary of the Board was directed to ask the Comptroller of the Currency for a file of the forms for bank reports sent to National banks during the past few years, the same for the use of the Board.

On motion it was voted to appoint a Committee of two persons, Mr. Delano and Mr. Harding, on the relation of the reserve system with the Treasury Department and with the office of the Comptroller of the Currency.

Mr. Delano presented to the Board a report relative to the weekly, monthly and annual reports of Federal reserve agents, and the same after discussion was referred to Mr. Harding for further revision.

A recommendation having been presented on behalf of Chief of Division Broderick for the acceptance of State

bank examinations in the case of the Bank of Woodruff, S. C. and in the case of the Central Trust Co., Chicago, such acceptance was authorized by the Board on the conditions set forth in the memoranda of even date herewith.

A letter from Hon. E. J. Hill of Connecticut, requesting the aid of the Board in securing legislation in Connecticut allowing National banks to exercise the functions of trustee, executor, etc., was presented to the Board. Receipt was ordered acknowledged and a copy referred to the Federal Reserve Agent at Boston, and another to the Counsel of the Board.

A memorandum from the Counsel of the Board in the form of a letter to Mr. Warburg relating to the use of collateral sold by one Federal reserve bank to another for the protection of Federal reserve notes, was read to the Board. On motion a copy was ordered sent to all Federal reserve agents.

On motion it was voted that henceforward all official letters of the Board relating to matters of general importance be prepared for two signatures, those of the Governor or Acting Governor and the Secretary or Acting Secretary of the Board.

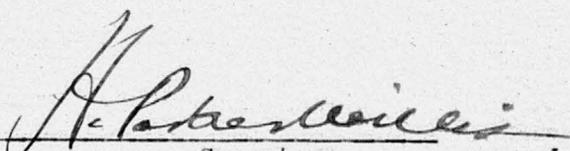
A report prepared by Chief of Division Broderick relative to methods of examining the trust departments of National

banks authorized to exercise the functions of trustee, executor, etc., was presented to the Board. Copies were ordered transmitted to each member.

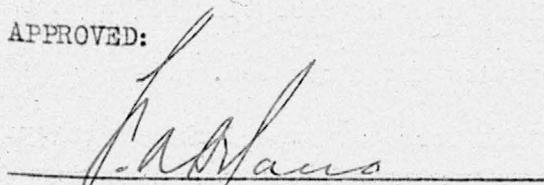
On motion questions relating to the issue of Federal reserve notes at New York and elsewhere were laid on the table for the time being.

A letter to the National Park Bank relating to acceptances in transactions involving trade between two foreign countries, was taken up for discussion and finally laid on the table for the time being.

On motion the Board adjourned to meet on Saturday, March 13 at 10.30 a. m.

  
Secretary.

APPROVED:

  
Chairman.