

At a regular meeting of the Federal Reserve Board held in the office of the Board on Tuesday, March 16, at 11.15 a. m.

PRESENT:

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

The minutes of the meeting of 11.15 a. m. Monday, March 15th, were read and approved.

Mr. Miller moved that it be the sense of the Board that such State banks as would add to the strength of the system should be encouraged to avail themselves of the privileges of membership in the Federal Reserve system. Experience having demonstrated that State banks were reluctant to enter the system until assured that they can legally withdraw under such reasonable and proper restrictions as the Federal Reserve Board may see fit to impose, Mr. Miller further moved that the Committee on State Banks be instructed to secure competent legal opinion and advise the Board whether some method cannot be devised under the law whereby state banks which enter the system may be given the right of withdrawing.

After discussion the motion prevailed.

Mr. Miller read to the Board a form of letter intended as instructions to Federal reserve agents. On motion, the draft was adopted and the Secretary of the Board was instructed to send out a letter addressed to each Federal Reserve agent embodying the substance of the draft, such letter to be signed by the Governor and Secretary of the Board.

The Secretary of the Board presented applications for the exercise of the power of executor, trustee, etc., duly approved by Mr. Harding and the office of the Comptroller of the Currency, as follows:

First National Bank	Wallingford, Conn.
Second National Bank	New Haven, Conn.
First National Bank	Concord, N. H.
Middletown National Bank	Middletown, Conn.
Union Market National	Watertown, Mass.
Manufacturers National	Waterbury, Conn.
Virginia National	Petersburg, Va.
City National Bank	Knoxville, Tenn.
National Bank of	Danville, Va.

On motion the applications aforesaid were laid on the table until further orders.

Applications for the exercise of executor and trustee powers approved by Counsel and by Mr. Harding, were referred to the office of the Comptroller of the Currency with request for report.

On motion, the application of the Federal Reserve

Bank of Richmond, Va. for Federal reserve notes, duly recommended by the Committee on Issue and Redemption, was approved as follows:

Ten dollar denominations	\$200,000
Twenty dollar denominations	240,000

On motion, the application of the Federal Reserve Bank of New York for Federal reserve notes, duly recommended by the Committee on Issue and Redemption, was approved as follows:

Five dollar denominations	\$1,000,000
Ten " "	1,000,000

Mr. Miller gave formal notice to the Board of his intended absence from the City of two weeks or more and on motion, the Board expressed approval of his action.

On motion, the following resolution was adopted:

The Board being in receipt of a letter from the Secretary of the Treasury stating that he does not desire to stand in the way of a decision on the subjects under review in the matter of redistricting and, although believing that these questions are pressing for settlement and should be concluded, has determined that under the circumstances of the Secretary's illness and the prospective absence of two other members, that no vote on these questions be taken before April 15th, but that they be disposed of by definite action as soon thereafter as practicable.

The Secretary of the Board was instructed to make an informal statement covering the substance of this resolution for the press.

The question of approving the minutes of the Board held at 3.00 p. m. March tenth having been brought up, it was voted after discussion that the aforesaid minutes be approved in skeleton form, all references to discussion of the subjects then under advisement, and all statements of the position assumed by different members of the Board being eliminated from the minutes proper, such statements, however, to be filed, if requested by members with all other pertinent documents bearing upon the question of rates for rediscounts between Federal reserve banks, as an addendum to the minutes of that date.

// The question of acceptances in trade between two foreign countries, brought up in connection with an application from the National Park Bank of New York City, was laid on the table pending a larger attendance upon the Board's meeting.

Consideration of the motion offered by Mr. Williams at the meeting of March fifteenth and then laid on the table recurring, Mr. Miller offered the following substitute for the aforesaid motion:

RESOLVED, That it is the sense of this Board that the Federal reserve banks should immediately consider and advise this Board whether, and if so how far, in their judgment, they may with propriety and discretion assist the efforts of the National bank members in

their respective districts, to secure the enactment of such legislation as may be necessary to remove the restrictions which now prevent the Federal Reserve Board from conferring upon National banks in certain states the right to act as executor, trustee, registrar, etc.

Mr. Williams having accepted the substitute, after discussion the motion was carried, Mr. Warburg being recorded in the negative.

The subject of admission of State banks to the Federal reserve system having been called up, Mr. Miller asked to be recorded, in view of his approaching departure, as desiring to express his opinion to the effect that everything that could reasonably be done to expedite the settlement of the question and the early admission of State banks into the system, should be undertaken. The subject was laid on the table pending the attendance of a larger number of members.

The Secretary of the Board presented a form of permit to National Banks to exercise the functions of trustee, executor and the like, the same having been duly approved by the Counsel and by Mr. Harding. The Secretary was directed to have printed as many copies of the said form as might be considered necessary.

A letter from President J. W. Perry of the Southwest National Bank of Commerce, Kansas City, Mo., asking for an expression of the Board's wish with reference to the exercise of trustee powers having been read, the Secretary was directed to

write a general reply to the effect that the Board did not care to ask any particular institution to assume the powers in question, but would be glad to consider each application on its merits.

In answer to a letter from Federal Reserve Agent Ingle as to the imposition of a penalty for deficiency in reserve, the Secretary was directed to say that the matter was left in the hands of the several Federal reserve banks for recommendation and that up to date it had been deemed inadvisable to do anything of the sort.

Documents relating to the conditions under which Federal Reserve notes are issued were laid on the table for the present.

In answer to an invitation from the Southern Commercial Congress and another from the Wholesale Grocers Association, for addresses by members of the Board before their organizations, the Secretary was directed to send declinations with regrets.

The application of the Trust Companies Magazine for opinions of Counsel of various Federal reserve banks relative to the exercise of trust company powers, was ordered declined.

Federal Reserve Agent Perrin's report on the California savings bank situation was presented to the Board and ordered circulated.

The Chapman plan for the clearance of checks, referred to the Board by Mr. Hamlin, was ordered to be sent the Committee on Clearance.

On motion, at 1.15 p. m. the Board adjourned to meet Wednesday

March 17th at 11. a. m.

APPROVED:

P. A. Deane

Chairman.)

H. Parker Willis
Secretary.