

At a meeting of the Federal Reserve Board held in the office of the Governor of the Board at 11.15 a. m. on Wednesday, March 24,

PRESENT:

Mr. Hamlin, presiding, Mr. Williams

Mr. Delano Mr. Warburg

Mr. Willis, Secretary.

An application of the First National Bank of Biloxi, Miss. to act as executor, trustee, etc., duly recommended by the Federal Reserve Bank of Atlanta and Counsel for the Board, was referred to Mr. Williams and Mr. Harding for report.

On recommendation of the committee in charge of the subject, applications of the following named banks to act as executor, trustee, etc., approved by the Federal Reserve Bank of Boston and by Counsel for the Board were considered and the applications granted:

Merchants National Bank Worcester, Mass.
 Aquidneck National Bank Newport, R. I.
 Peoples National Bank of Roxbury at Boston, Mass.
 Merchants National Bank Salem, Mass.

Applications for the exercise of the powers of executor and trustee, previously referred to the committee in charge of the subject with favorable recommendations of the proper Federal reserve bank and the Counsel for the Board, were, on recommendation of said committee, ordered suspended:

Holston National Bank, Knoxville, Tenn.
Fourth & First National Bank, Nashville, Tenn.

Draft of a letter to Secretary J. F. Curtis, representing a committee of Governors of Federal Reserve Banks, prepared by direction of the Board as the Board's formal reply, was read and approved with modifications. Minor changes were also made in the recommendations for alterations of the language of the Governors' proposed circulars.

On motion it was voted to incorporate in the letter the suggestion that Mr. Curtis transmit a copy thereof to each Federal reserve agent.

Correspondence relating to the Board's recent tentative plan governing the annual election of directors was referred to Mr. Delano.

Correspondence relating to the proposed regulations regarding acceptances was referred to the committee designated to draft the new acceptance regulations.

The Secretary of the Board read a communication from the Comptroller of the Currency relating to the cost of getting out Federal reserve bank notes. The report was received and on motion it was ordered transmitted to Federal reserve agents with the addition of further information concerning the circumstances under which such notes may be issued.

On motion the Board formally adopted the opinion of Counsel with reference to the issue of Federal reserve bank notes, rendered under date of November 30, 1914 and directed that regulations relating thereto be prepared by the Committee on Legal Matters acting in consultation with Assistant Secretary Malburn and Mr. Williams. The Board directed that the regulations thus determined upon be formally issued as a statement, either through the Comptroller or through the Board.

Mr. Hamlin presented a letter from Assistant Secretary Malburn with reference to the conditions under which lawful money may be substituted for collateral behind Federal reserve notes, and vice versa. After discussion he was authorized to transmit to Assistant Secretary Malburn a memorandum explaining the position of the Board on this subject.

A letter from Federal Reserve Agent Ingle discussing the discount situation in the Fifth District was presented to the Board and ordered filed.

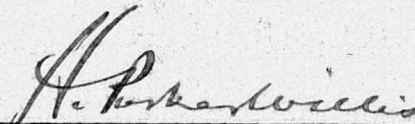
On motion it was voted that the Governor and Vice Governor prepare a resolution for submission to the Board with reference to the policy to be followed in admitting State banks with power, expressed or implied, to withdraw

from the system under certain conditions.

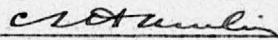
A statement of the situation as to the conversion of low interest bonds and notes into three per cent. bonds was referred to the special committee to which had been entrusted the duty of conferring with Assistant Secretary Malburn relative to the issue of Federal reserve bank notes.

Consideration of the question of issuing a bulletin at periodical intervals was deferred until a later date.

On motion at 12.45 p. m. the Board adjourned.


Secretary.

APPROVED:


Chairman.