At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, April 26, at 11.00 a.m.

PRESENT:

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

The minutes of the meeting of Friday, April 23, were read and approved.

The minutes of the meeting of the Executive Committee of Friday, April 23, were read, and, on motion, were received, and the actions taken by the Committee were approved.

A telegram from Federal Reserve Agent Perrin with reference to the question whether purchases of 2½ Government bonds made by the Federal reserve bank of San Francisco, would be eligible for conversion into 3½ bonds and when; was read by the Acting Governor, who also presented a draft of a reply to Mr. Perrin. On motion this proposed draft was approved.

On motion applications for power to exercise the functions of executor, trustee, etc., were approved in the cases of the following banks:

First National Bank Greeley, Colo.
Greenville National B. Greenville, Texas
Marion National Bank Marion, Ind.
On motion the application of the Metropolitan National Bank of Pittsburgh, Pa., for power to reduce its capital stock from $400,000 to $200,000 duly recommended by the Comptroller of the Currency, was approved.

On motion applications for 114 shares of additional stock in Federal reserve banks, were approved as follows:

**DISTRICT No. 5.**
Citizens National Bank
Chester, S. C. 39

**DISTRICT No. 6.**
Carlton National Bank
Wauchula, Fla. 30

**DISTRICT No. 7.**
Clark National Bank
Newton, Iowa 30

**DISTRICT No. 9.**
First National Bank
McVille, N. Dak. 15
Letters from Federal Reserve Agent Miller with reference to pending applications for power to exercise the functions of executor and trustee, were read to the Board, and on motion, referred to Mr. A. C. Miller and Mr. Williams.

A letter from Federal Reserve Agent Bosworth suggesting a procedure in those cases where applications for executor and trustee powers have been declined by the Board, was read. On motion the Secretary was directed to write to Mr. Bosworth indicating a slightly altered form of statement to be used by him. A letter from Federal Reserve Agent Curtiss recommending that the application of the City National Bank of Belfast, Maine, be disapproved for the present, was presented, and on motion, the Board accepted Mr. Curtiss' recommendation.

The question of the eligibility of renewal notes for rediscount was presented to the Board by Mr. Miller, a-propos of a case brought to his attention by Mr. Martin. On motion the matter was referred to Mr. Miller and Mr. Warburg with authority to send a reply based on the precedent already established by the Board.

On motion the date of hearing of the application of the Wisconsin banks for transfer from the ninth to the seventh district, was set for May 20.
A letter from Mr. Ralph Stone making inquiry about the Board's policy in granting executor and trustee powers, was referred to Counsel with a request that he suggest a reply.

Mr. Delano presented a letter from Mr. Eugene E. Prussing regarding the proposed suit of certain trust companies relative to paragraph K of Section 11 of the Federal Reserve Act, and asking that he be supplied with a copy of the brief of Counsel of the Chicago bank on this subject. The Secretary was directed to wire Governor McDougall suggesting that the latter transmit the opinion, such telegram, however, to be approved by Counsel first.

Mr. Delano and Mr. Warburg stated to the Board that there had been some discussion of the question of obtaining the services of an advisory or consulting legal counsel who might be applied to for opinions as to certain special and important business.

Some discussion then ensued as to the advisability, in view of the many difficult and delicate legal questions with which the Board is being confronted, of the Board's securing the services of such special counsel with whom the Board's regular counsel might consult and advise in drafting opinions on questions of especial importance and intricacy.
It was further stated that in view of the great number of broad legal questions now pressing upon the Board for action, the services of additional counsel would be necessary in order to avoid congestion of business. The advantage of having opinions considered from different points of view before being adopted and published by the Board, was also pointed out. Upon motion the subject was referred to the Executive Committee with instructions that it make a definite recommendation to the Board with respect to the appointment of special counsel.

In accordance with recommendations of Deputy Federal Reserve Agent Gatch of the Federal Reserve Bank of San Francisco, permission to accept drafts or bills of exchange having not more than six months to run and growing out of transactions involving the importation and exportation of goods, was granted to the following institutions:

Wells-Fargo Nevada National Bank of San Francisco
Bank of California, N. A., of San Francisco

Mr. Warburg read to the Board a letter from Federal Reserve Agent Jay regarding the situation in New York relative to the admission of State banks as members of the Federal reserve system.

The Secretary of the Board presented a report from Federal Reserve Agent J. Z. Miller with reference to the work
he has accomplished in securing legislation permitting State banks to join the system, and national banks to exercise executor and trustee powers.

On motion at 1.15 p. m. the Board adjourned to meet on Wednesday, April 28, at 11.00 a. m.

APPROVED:

[Signature]

Chairman.