

At a regular meeting of the Federal Reserve Board held in the office of the Board on Friday, April 30, 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 Wednesday, April 28th were read and approved.

The minutes of the meeting of the Executive Committee of Thursday, April 29th, were read, and, on motion, the same were received and approved.

On motion it was voted to approve the application of the Peoples National Bank of Brattleboro, Vt., for power to exercise the functions of trustee, executor, etc., the same having been approved by Federal Reserve Agent Curtiss, and a letter from the directors undertaking to meet all criticism as to their condition having been filed with the Comptroller of the Currency.

On motion applications for additional stock in Federal reserve banks totalling 95 shares, the same having been duly recommended by Mr. Harding, were approved as follows:

DISTRICT No. 4. Shares.

National Bank of Brookville	Brookeville, Pa.	3
First National Bank	Barnesville, O.	3
First National Bank	Bethel, O.	2
Westmoreland National Bank	Greensburg, Pa.	3

DISTRICT No. 5.

First National Bank	Albright, W. Va.	4
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DISTRICT No. 6.

Pembroke National Bank	Pembroke, Ga.	3
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DISTRICT No. 7.

National Brookville Bank	Brookville, Ind.	3
First National Bank	Mackinaw, Ill.	1
Michigan Nat'l Bank	St. Clair Heights, Mich.	4
First National Bank	Le Mars, Iowa	12
First National Bank	Cambridge, Iowa	18

DISTRICT No. 8.

First National Bank	Annapolis, Ill.	1
Peoples National Bank	McLeansboro, Ill.	1
First National Bank	Windsor, Mo.	3
City National Bank	Boonville, Ind.	2
First-Hardin Nat'l. Bank	Elizabethtown, Ky.	4

DISTRICT No. 9.

First National Bank	Rock Lake, N. D.	1
First National Bank	Cooperstown, N. D.	3
First National Bank	Buffalo, N. D.	3
Anoka National Bank	Anoka, Minn.	2
First National Bank	Battle Lake, Minn.	1
First National Bank	Madison, Minn.	2
First National Bank	Waseca, Minn.	1

DISTRICT No. 10.

Shares.

Citizens National Bank	Great Bend, Kans.	3
First National Bank	Sapulpa, Okla.	5

DISTRICT No. 11.

First National Bank	Minden, La.	1
First National Bank	Linden, Texas	1
Falls City National Bank	Falls City, Texas	1
First National Bank	Weatherford, Okla.	1
First National Bank	Melrose, N. M.	3

On motion it was voted to approve the application of the First National Bank of Farmington, N. M., for power to reduce its capital stock in the sum of \$25,000, the said application having been approved by the Comptroller of the Currency, and the bank having undertaken to apply the amount of the said reduction to the liquidation of real estate and other obligations, so that the margin of protection to creditors is not impaired by the change in the capitalization.

On motion it was voted that the First National Bank of San Francisco be authorized to accept bills and drafts drawn on it to an amount not greater than 100% of its capital and surplus, the application of the said institution having been duly approved by the Federal Reserve Bank of San Francisco in a letter from Deputy Federal Reserve Agent Gatch.

The applications of the Bank of New York and the Merchants Exchange National Bank of New York for power to ac-

cept up to 100% of capital and surplus, were received.

After discussion it was voted, on motion, to name Mr. Harding and Mr. Warburg a special committee on acceptance applications, all such applications to go to this committee before being acted upon by the Board.

On motion, the two applications for acceptance powers last above named, were referred to the special committee.

On motion a memorandum received from the chief of the Division of Reports and Statistics relative to the method of auditing the accounts of Federal reserve agents, was referred to the Committee on Audit and Examination for report.

The Secretary of the Board presented the minutes of the joint session between the Federal Advisory Council and the Federal Reserve Board. On motion these minutes were referred to Mr. Delano for examination and report.

Mr. Williams stated to the Board that he had received a preliminary draft of a letter relative to the proper method of dealing with the Division of Issue now organized in his office, and stated that, if appropriate, he would be glad to discuss the subject with the Board. Mr. Delano noted that the draft placed in the hands of Mr. Williams had been only preliminary, and that it had not yet been definitely signed

and transmitted by the committee having the matter in charge. In these circumstances, the subject was laid on the table for the time being.

Mr. Warburg presented to the Board the opinion of Counsel with reference to the eligibility of acceptances bought by one Federal reserve bank from another, and presented by the latter to a Federal reserve agent to protect notes, in which Counsel held that it was a matter of indifference whether the endorsing member bank be a member of the district in which said acceptances are purchased, or of any other. On motion, it was voted to authorize the use of Counsel's opinion referred to in the next (June 1) issue of the Federal Reserve Bulletin.

Discussion ensued with reference to discount and open market powers of Federal reserve banks, with a view to obtaining a general consensus of opinion as to the line of distinction to be drawn between the various provisions of the Federal Reserve Act.

The case of Edward L. Smead, an employee of the Division of Reports and Statistics, who had been detailed from the Navy Department, but who had been taken ill immediately after joining the staff of the Board, was presented, and, on motion, it was voted to approve the appointment of

Mr. Smead, referring the whole matter to Mr. Delano with power to act in the case as he might deem best, after ascertaining the views of the Navy Department from which Mr. Smead was transferred.

Mr. Warburg read to the Board a letter from the Federal Reserve Bank of New York describing the general state of feeling with reference to the admission of State banks, and also referring to arrangements with Mr. Charles Starek, chief examiner of the district, regarding the maintenance of credit files. Discussion of the report of the Committee of the Federal Reserve Bank of New York relative to the maintenance of credit files, with the aid of Mr. Starek, ensued.

The question of dealing with the appeals of re-districting was taken up for discussion, and it was the consensus of the Board, after passing on the minor appeals for re-districting, to announce that general questions relating to the changes in the designation of Federal reserve cities, would be deferred until more experience has been accumulated through the operation of the system.

On motion at 1.20 p. m. the Board adjourned to meet on Monday, May 3, at 11.00 a. m.

APPROVED:

*Paul Delano*  
Chairman.

*H. Parker Willis*  
Secretary.