

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11.15 a. m. on Friday, May 7,

PRESENT:

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

The minutes of the meeting of Wednesday, May 5th were read and approved.

At the opening of the meeting there was general discussion of the plans for the forthcoming Pan-American Financial Conference and of the assistance that might be rendered by the Board in connection with the preparation of plans and the making of arrangements.

No definite action was taken, but the general sense of the Board with reference to the work to be done was indicated and a tentative understanding reached.

The Secretary of the Board read several telegrams relative to the question of making a change in the redistricting decision affecting the counties in the State of Oklahoma transferred by the Board's recent decision from the Federal Reserve Bank of Dallas to the Federal Reserve Bank of Kansas City. After consideration of the subject in its various

aspects, the Board directed that the correspondence be transmitted to Counsel with the request that he suggest a reply, giving the proper legal status of the matter.

Reports of Federal Reserve Agents relative to discount rates were presented to the Board and on motion the application of the Federal Reserve Bank of San Francisco was approved in so far as relates to rates for maturities of thirty days and upward, it being suggested however, that for the present the Board did not care to act upon the fifteen day maturity tentatively indicated by the Reserve Bank of San Francisco.

The Secretary was directed to wire the Bank of San Francisco, fixing rates as follows:

Maturities up to thirty days	3 1/2%
Maturities up to sixty days	4%
Maturities up to ninety days	4 1/2%
Maturities over ninety days	6%

On recommendation of Mr. Harding the Board took the following action with reference to applications of National banks for executor and trusteeships:

APPROVED.

Peoples National Bank	Marlboro, Mass.
Indian Head National Bank	Nashua, N. H.
First National Bank	Granger, Texas

ACTION SUSPENDED.

Corsicana National Bank	Corsicana, Texas
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Consolidated Nat'l. Bank	Tucson, Ariz.
Nat'l. Loan and Exchange Bank	Columbia, S. C.
First National Bank of	Englewood, Ill.
American National Bank	Roanoke, Va.

On motion the Board approved applications for twenty-three shares of stock in Federal reserve banks, as follows:

<u>DISTRICT No. 9</u>		Shares.
First National Bank	Wimbledon, N. Dak.	1
First National Bank	Beach, N. Dak.	2
First National Bank	Blair, Wis.	3
Wells National Bank	Wells, Minn.	2
 <u>DISTRICT No. 11.</u>		
First National Bank	Nogales, Ariz.	15

Discussion of the proposed trip to be taken by sundry members of the Board ensued and on motion it was voted that during the coming week Mr. Miller take the place of Mr. Warburg on the Executive Committee, thus providing for the presence of a majority of the Committee in the City, and that the Committee thus constituted be instructed and authorized to hold meetings daily if necessary and to dispatch all necessary business, the said motion to be submitted to Mr. Harding and Governor Hamlin for their approval, (Mr. Warburg being out of the city.)

On motion the pending question with reference to the disestablishment of the Division of Issue in the Office of the

Comptroller was laid on the table until a later date.

On motion the Secretary was authorized and directed to prepare a descriptive article discussing the action taken in the redistricting cases for publication in the next number of the Federal Reserve Bulletin.

The final draft of the proposed circular relating to the admission of State banks was submitted in mimeograph form to the Board. After general discussion it was agreed that the members should take copies with them on their visits out of the City and should consult whomever they desired with reference thereto.

On motion the report of the Committee on Audit and Examination relating to the examination of State member banks, the same having been prepared in response to questions from the Comptroller of the Currency, was adopted, and the Secretary ordered to transmit it to the Comptroller.

Two reports submitted by Mr. Warburg proposing informal rulings, the one with reference to the eligibility of agricultural paper given for commercial fertilizer, the other relating to mortgages on shares in an undivided interest in real estate, were read to the Board and approved. The Secretary was directed to send answers in accordance therewith.

A communication from Federal Reserve Agent Miller

relative to custody of funds and the combination of safes was presented to the Board by Mr. A. C. Miller, and on motion the latter was authorized to draft a letter in reply, the same to be transmitted by the Executive Committee, which was given authority to act in the case.

Letters from Federal Reserve Agent Perrin and Miller relative to the getting of information concerning the condition of member banks from the Comptroller of the Currency and his representatives, and asserting that less is being received now than formerly, were discussed, and on motion the papers were referred to the Committee on Audit and Examination for inquiry.

A letter from Federal Reserve Agent Perrin relative to the advisability of making San Francisco a central reserve city, was considered but no final action was taken.

The question of bonding those in charge of the gold settlement fund having been taken up for consideration it was voted to table the matter indefinitely and the Secretary was instructed to say to the companies that the rate was higher than appeared to make it worth while to apply the bonding plan.

On motion a tentative outline prepared by Mr. Miller relative to the presence of members of the Executive Committee in Washington during the summer months, after being presented

to the Board, was approved.

The Secretary of the Board presented a revised form of substitution sheet which had been suggested to take the place of existing sheets. On motion the matter was placed in the hands of the Secretary and Chief of Division of Reports and Statistics, with power to act.

A letter from Federal Reserve Bank of Atlanta, relative to several points on which criticism had been made in former letters, having been read to the Board, the Secretary was directed to make an appropriate reply, submitting the same to the Executive Committee.

A communication having been submitted from the Dollar Savings Bank of Wheeling, West Virginia, relative to the possibility of their withdrawing their application for membership in the Federal reserve system, the Secretary was directed to send the letter to Federal Reserve Agent Wills for such action as he might deem best.

A request for publication of gold export figures for newspaper use having been presented, the Secretary was directed to arrange for the publication of these figures in the Bulletin.

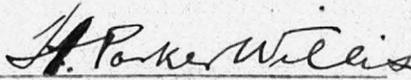
An application from Federal Reserve Agent Wills for power to purchase \$400,000 of New York warrants, was approved.

An application of Federal Reserve Agent Wills for authority to purchase Board of Education short term notes, was approved.

A letter from Governor Rhoads of the Federal Reserve Bank of Philadelphia asking what procedure should be followed in making the transfer of New Jersey banks to the New York district having been submitted, it was voted that Mr. Rhoads be asked to work out a plan in conjunction with the New York bank and to submit it for the approval of the Board, and that the same suggestion be made to all other banks affected.

A letter from Federal Reserve Agent Rich asking for further consideration of the executor and trusteeship application of the First National Bank of Austin, Minn., was ordered referred to Mr. Harding for investigation and report.

On motion at 1.15 p. m. the Board adjourned subject to call of the Governor.


Secretary.

APPROVED:


Chairman.