

At a regular meeting of the Federal Reserve Board held in the office of the Governor at 11.30 a. m. on Friday, May 14,

PRESENT:

Mr. Hamlin, presiding, Mr. Warburg

Mr. Williams Mr. Miller

Mr. Willis, Secretary.

The minutes of the meeting of Friday, May 7, were read and approved.

On motion the Farmers National Bank of Valparaiso, Indiana, was granted the right to exercise the functions of executor, trustee, etc., the same having been recommended by Mr. Harding and Mr. Williams.

On motion the First National Bank of Albany, N. Y., was granted the right to exercise the functions of registrar of stocks and bonds, the same being recommended by Mr. Harding and Mr. Williams.

On motion the application of the First National Bank of Brazil, Indiana, for power to exercise the functions of trustee, executor, etc., was referred back to the Comptroller of the Currency for further investigation.

In the absence of Mr. Harding, a number of fresh applications for the right to exercise trustee and executor

powers received from Federal reserve agents and passed upon by Counsel of the Board, were referred to the Comptroller of the Currency.

On motion an application of the Federal Reserve Bank of New York for an issue of Federal reserve notes aggregating \$2,900,000, duly recommended by the Committee on Issue and Redemption, was approved as follows:

\$5 denomination.....	\$1,000,000
10 " 	1,000,000
20 " 	900,000

On motion the Board granted the applications of the following named banks to accept drafts and bills of exchange having six months sight to run, to an amount not exceeding the capital and surplus of the respective institutions:

National Shawmut Bank	Boston, Mass.
Crocker National Bank	San Francisco, Cal.
Anglo & London-Paris Nat'l Bk.	San Francisco, Cal.

On motion it was voted that Counsel of the Board be officially requested to prepare an opinion relative to the form of investment available to national banks acting as trustee, executor, etc.

The Executive Committee of the Board reported that it recommended that the Bureau of Engraving and Printing be instructed to proceed at full speed with the preparation and printing of Federal reserve notes. On motion the recommendation was adopted

and ordered carried into effect.

On motion it was voted that the Board communicate with every Federal reserve bank informing it of the amount of Federal reserve notes available for its use on hand, and the progress that is being made in preparing a new supply. The action taken by Mr. A. C. Miller was ratified, and it was directed that a letter sent by him to the several banks be approved.

On motion it was voted that Mr. Jay be advised of the denominations of the Aldrich-Vreeland notes which were prepared for the use of the banks of New York City, and that a list of the denominations be sent to the Comptroller of the Currency. A letter prepared by Mr. A. C. Miller on this subject was reported.

On motion the minutes of the conference with Governors of Federal reserve banks relative to the preparations for inaugurating the Gold Settlement Fund, were referred to Mr. Warburg for examination and report.

After discussion of the status of the orders regarding redistricting, it was voted that Mr. Harding be asked by telegraph to investigate and report the best action to be taken relative to the two counties in Oklahoma whose status, under the redistricting order, had not yet been

settled.

The Secretary of the Board presented an opinion prepared by Counsel relative to the position of banks in northern New Jersey as to rediscounting during the time that the process of transferring them is in progress. On motion the opinion was adopted, and it was ordered that a copy thereof be sent to all districts affected by similar transfers, and that the text thereof be published in the forthcoming issue of the Bulletin.

The question of the status of Deputy Federal Reserve Agent La Monte of the Philadelphia district, as affected by the transfer of banks in northern New Jersey (his place of residence) to New York, was brought up for consideration, and the Governor informed the Board that Counsel had rendered an opinion that Mr. La Monte might legally continue until the end of his term. On motion this opinion was adopted, and it was directed that Mr. La Monte be so informed, and that a copy of the opinion of Counsel on the subject be published in the next issue of the Federal Reserve Bulletin.

On motion, the action of the Committee on Staff in fixing the following appointments and salaries, as of the dates named by the committee was confirmed:

F. V. Grayson, assistant to examiner, \$125 per month, effective May 7.
R. R. Burklin, assistant to examiner, \$125 per month, effective May 7.
Frances P. Valiant, library assistant, \$100 per month, effective May 10.

On motion, the application of Federal Reserve Agent Perrin for an increase in the limit of permitted investments in warrants to an amount equal to 20% of members deposits instead of 15%, or, roughly, \$3,000,000 instead of \$1,500,000 at San Francisco good until further notice, was granted.

The Secretary of the Board presented a letter from Governor Aiken of Boston relative to the purchase of town notes without legal opinion in support thereof. On motion the question was referred to Counsel for an expression of opinion.

A memorandum from Mr. A. C. Miller relative to the use of Federal reserve notes in clearing house settlements between banks, and a letter from Federal Reserve Agent Perrin on the same subject having been presented to the Board, it was voted that Mr. Miller communicate with Mr. Perrin stating that the Board would be glad to see the banks take action designed to render Federal reserve notes available in such settlements.

The Secretary of the Board having presented the question of a subscription price for the Federal Reserve Bulletin, it was, on motion, voted that such price be fixed at \$2.00 per annum, or twenty cents per copy.

The Governor of the Board presented the general status of the question in what way the Board should participate in the forthcoming Pan-American financial conference, and, on motion, it was agreed that he examine the present situation of the matter and report thereon.

A letter from Senator W. J. Stone enclosing one from Samuel Lazarus of St. Louis, relative to the extent to which member banks are accomodating their customers, was referred to Mr. Miller and Mr. Warburg for consideration.

The Secretary of the Board presented the application of certain banks in Connecticut for transfer from Federal Reserve District No. 1 to Federal Reserve District No. 2.

On motion the subject was referred to Counsel of the Board with a request for a report as to how far, if at all, the Board is under obligations to grant an immediate hearing, receive briefs, etc. It was informally agreed that in the forthcoming issue of the Bulletin there

be inserted a brief statement indicating that the Board would probably not act upon any more petitions for the present, pending the arrival of the time for a more extensive readjustment of districts.

Letters from Federal Reserve Agent Tenison and Mr. A. L. Shapleigh relative to the present status of the clearance question, were referred to Mr. Harding for examination and report.

Mr. A. C. Miller read to the Board letters from Federal Reserve Agent Miller of Kansas City, stating the present situation as to clearings in that district, and asking for power to charge a rate of interest upon deposit balances of member banks. Mr. Miller was authorized to reply.

The Secretary of the Board reported the receipt of various communications from Federal reserve agents recommending the retention of existing discount rates, and stated that no change had been called for.

Progress with the arrangements for the introduction of the new Gold Settlement Fund was described to the Board by the Secretary.

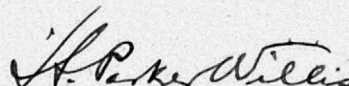
An opinion prepared by Counsel with reference to the designation of reserve agents for use by State banks, was

referred to Mr. Miller and Mr. Warburg for examination.


A communication from Federal Reserve Agent D. C. Wills transmitting a suggested form of statement for use by borrowers at banks, was read to the Board, and, on motion, ordered referred to Messrs. Broderick and Jacobson for report.

Mr. Miller read to the Board letters received from Federal Reserve Agents Perrin, Ingle and Miller urging that there be no diminution in the amount of information to be granted to them through the medium of member banks' reports with reference to the condition of such member banks.

On motion at 1.15 p. m. the Board adjourned to meet at 10.00 a. m., Saturday, May 15.


Secretary.

APPROVED:


Chairman.