

At a regular meeting of the Federal Reserve Board held in the office of the Board at 3.00 p. m. on Thursday, May 27,

## PRESENT:

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

Reading of the minutes of the preceding meeting was waived by unanimous consent.

The Governor of the Board presented a letter from the Postmaster General setting forth the difficulties in the present method of shipping currency by registered mail from the Division of Issue in the Office of the Comptroller of the Currency. It appeared that the existing method of wrapping was deemed insufficient. On motion the subject and various exhibits was referred to the Committee on Issue and Redemption.

The Secretary of the Board read letters prepared in accordance with instructions, to Governor Wold of Minneapolis regarding the date when rates of discount become effective, and to the Secretary of the Treasury regarding the plan for disestablishing the Division of Issue and Redemption. On motion the letters were approved and ordered transmitted.

By unanimous consent it was agreed to take up for

immediate reading the proposed draft of the circular relating to membership of State banks in Federal reserve banks.

The Circular in question was read and discussed, and the Secretary of the Board was directed to have it set up and the proof furnished to members as early as possible.

A memorandum prepared by the Comptroller of the Currency relating to a proposed amendment in the present circular dealing with loans on farm lands, was read, and, on motion, referred to the Governor and the Secretary of the Board as a special committee to take such action as appeared to be required.

Mr. Warburg presented certain communications he had received from the Federal Reserve Bank of Philadelphia with reference to difficulties in obtaining information from the chief examiner of the Philadelphia district relating to banking conditions there.

Discussion of relations between the chief national bank examiners of the several Federal reserve districts and the reserve banks of those districts, ensued, and it was finally informally agreed to consider the matter with the Federal reserve agents now present

in the city.

The Secretary of the Board presented a report relative to methods of safeguarding cash and collateral in the Federal Reserve Bank of San Francisco. On motion the report was approved, and the Secretary was instructed to notify Federal Reserve Agent Perrin that so far as the facts now at hand indicate, the plan outlined by Mr. Perrin as in force at San Francisco, is satisfactory.

A letter from Deputy Federal Reserve Agent McCaleb of Dallas regarding the resale of discounted paper having been read, the Secretary was directed to write Mr. McCaleb disapproving the plan suggested by him (Mr. McCaleb).

By unanimous consent the question of electing a deputy Federal reserve agent at St. Louis was scheduled as special business for the next meeting of the Board.

A letter from Federal Reserve Agent Miller relative to the participation of Federal reserve banks in State Guaranty Funds having been read, the Secretary of the Board was directed to write Mr. Miller making the same disposition of the case as already made of the Minnesota and South Dakota cases, following the lines of the letter sent to Federal Reserve Agent Rich on April 16.

A letter from Governor Wold of Minneapolis regard-

ing the present difficulties in the relations between State and national banks in South Dakota, was referred to the Committee on Operations of Reserve Banks to be taken up with the Comptroller of the Currency.

A letter from Federal Reserve Agent Jay making inquiry whether a member bank must reduce its stock in a Federal reserve bank when reducing its own surplus, was referred to Counsel for opinion.

Communications from Federal Reserve Agent Rich regarding the present executor and trustee situation in the Minneapolis district, were ordered referred to Mr. Joseph P. Cotton through Counsel.

On motion it was voted that Mr. Joseph P. Cotton be placed on the regular monthly payroll to receive compensation, payable at the same time as other members of the staff.

A letter from Federal Reserve Agent Perrin informing the Board of the appointment of Mr. George O. Bordwell as cashier of the Federal Reserve Bank of San Francisco at a salary of \$350 a month, was read, and the appointment and salary of Mr. Bordwell approved.

Resolutions adopted by the Illinois Manufacturers' Association relative to the establishment of branches of

Federal reserve banks abroad, were read to the Board, noted, and ordered sent to file.

A letter from Senator John Sharp Williams relative to the establishment of a branch bank at New Orleans, was likewise noted, and ordered filed.

The petition of certain banks of Louisiana asking transfer to the Atlanta district, was ordered referred to Mr. Harding with request for a full report on the question of a branch bank at New Orleans and the treatment of the Louisiana banks now making application for transfer.

On motion applications for the right to exercise the functions of trustee, executor, etc., duly recommended by Mr. Harding and Mr. Williams, were approved as follows:

First National Bank	Mexia, Texas
Covington National Bank	Covington, Va.
Nokomis National Bank	Nokomis, Ill.
First National Bank	Boyer City, Mich.
Rockford National Bank	Rockford, Ill.
National City Bank	Mobile, Ala.
Henderson National Bank	Henderson, Ky.
Agricultural National Bank	Pittsfield, Mass.
Chase National Bank	New York City.

Power to act as trustee only was approved for the following institution:

Colquitt National Bank	Colquitt, Ga.
------------------------	---------------

The following applications for trustee and executor powers were placed on the suspended list:

Citizens National Bank	Knightstown, Ind.
Citizens National Bank	Martinsville, Ind.
First National Bank	Shreveport, La.
National Loan and Exchange B.	Columbia, S. C.
Seymour National Bank	Seymour, Ind.
First National Bank	Corydon, Ind.
Clifton Forge Nat'l Bank	Clifton Forge Va.
National Brookville Bank	Brookville, Ind.
Franklin County National B.	Brookville, Ind.
National Bank of Carmi	Carmi, Ill.
First National Bank	Jeffersonville, Ind.
First National Bank	Mt. Vernon, Ind.
First Nat'l. Exchange Bank	Port Huron, Mich.
First National Bank	Rochester, Mich.
American National Bank	Benton Harbor, Mich.
First National Bank	Brazil, Ind.
State National Bank	Bloomington, Ill.
First National Bank	Boone, Iowa.
First National Bank	Manchester, Iowa.
First National Bank	Casey, Ill.
Fourth & First National Bank	Nashville, Tenn.

The following applications were ordered declined:

First National Bank	Wichita Falls, Texas
First National Bank	Corning, Ark.

Recommendations in favor of Mr. J. P. Hilliard as a candidate for appointment as deputy Federal Reserve Agent at St. Louis, were read to the Board and noted.

On motion applications for stock in Federal reserve banks, aggregating 123 shares, and duly recommended by Mr. Harding, were approved as follows:.

<u>DISTRICT No. 5.</u>	Shares.
Citizens National Bank	Morgantown, W. Va. 108

<u>DISTRICT No. 9.</u>		Shares.
First National Bank	Nelson, Wis.	15

On motion an application for the surrender of 162 shares of capital stock in a Federal reserve bank, duly recommended by Mr. Harding, was approved as follows:

Mercantile National Bank	Pueblo, Colo.	162
--------------------------	---------------	-----

A letter from Mr. W. B. Harrison, Secretary of the Oklahoma Bankers' Association, relative to methods employed in agitating the shifting of territory between the Dallas and Kansas City Districts, was read to the Board and ordered filed.

A letter from Mr. E. N. Robertson relative to the acceptance by the Treasurer at Baltimore of checks at par on the Federal Reserve Bank of Richmond, was referred to Federal Reserve Agent Ingle and after him to the Committee on Clearance to be taken up with Assistant Secretary Malburn for report.

A report approving the condition statement proposed by the Federal Reserve Bank of Cleveland for use by borrowers in stating their financial situation, was presented to the Board and approved.

The Secretary of the Board called attention to the usual weekly recommendation as to discount rates noting

that no changes had been asked for.

On motion the Secretary of the Board was authorized to publish in the forthcoming number of the Federal Reserve Bulletin the reports and recommendations relating to the establishment of the Gold Clearance Fund, presented by a committee of Governors at its recent meeting in Washington.

General discussion of the financial conditions at Federal reserve banks ensued.

On motion at 5.10 p. m., the Board adjourned to meet at 3.00 p. m. on Friday, May 28, in joint session with Federal Reserve Agents now in the city in attendance on the Pan-American Financial Conference.

*H. Parker Willis*

Secretary.

APPROVED:

*Estlin*

Chairman.