

At a regular meeting of the Federal Reserve Board held in the office of the Board at 12.05 p. m. on Thursday, June 17,

PRESENT:

Mr. Hamlin, presiding, Mr. Williams

Mr. Delano Mr. Warburg

Mr. Willis, Secretary.

The minutes of the meeting of Tuesday, June 15, at 11.00 a. m., were read and approved.

The Secretary of the Board presented the minutes of the meeting of the Executive Committee on Wednesday, June 16, at 1.00 p. m. and of Thursday, June 17 at 11.10 a. m. On motion the action taken by the Committee at the second meeting aforesaid was approved.

Mr. Warburg presented the draft of a plan for the establishment of a branch bank at New Orleans, and some discussion was given to the details of the proposed scheme.

Mr. Warburg submitted a letter from Mr. J. P. Cotton with reference to certain rulings of the Comptroller of the Currency, which had been brought to the attention of the Board by Mr. D. G. Wing of the First National Bank of Boston, Mr. Cotton suggesting that it might be advisable to see Mr. Wing

regarding the policy to be followed.

The Governor of the Board presented a letter from Mr. J. P. Cotton holding that, under Section 5200 Revised Statutes of the United States, a bank is not lending money to an individual when it accepts a bill protected by actual value, and held that it may accept to an amount more than 10% of its own capital and surplus on similar transactions without being subject to the loan limitation of 10%. After discussion the letter of Mr. Cotton was referred to Mr. Delano, Mr. Warburg and Mr. Williams as a special committee to consider it.

On motion the Executive Committee with the Comptroller of the Currency as an additional member for this purpose, were authorized to meet with the representatives of the New York and Philadelphia banks on Friday, June 18, for the purpose of reaching an adjustment of the division of expenses growing out of the transfer of northern New Jersey banks.

On motion it was voted that Mr. Harding be elected a member of the Executive Committee during the months of July, August and September, Mr. Warburg's term expiring at the end of June.

On motion at 1.00 p. m. the Board adjourned to meet on Tuesday, June 22, at 11.00 a. m.

APPROVED:

*H. Parker Willis*  
Secretary.

*C. S. Hawley*  
Chairman.