

At a meeting of the Federal Reserve Board held in the office of the Board at 11.00 a. m. on Wednesday, July 21,

PRESENT:

Mr. Hamlin, presiding,      Mr. Williams

Mr. Delano                      Mr. Harding

Mr. Willis, Secretary.

The minutes of the Board meeting of July 20 were read and approved.

The minutes of the Executive Committee meeting of July 20, and the action of the Committee as therein reported, were ratified.

The Governor of the Board submitted an extract from a letter written by the Carbondale National Bank of Carbondale, Ill., to the Comptroller of the Currency relative to the action of the Federal Reserve Bank of St. Louis regarding rediscounts. On motion the Secretary of the Board was directed to wire the Federal Reserve Bank of St. Louis making inquiry as to the facts alleged.

On motion applications for stock in Federal reserve banks were approved as follows:

DISTRICT No. 7.

|                     |                    | Shares. |
|---------------------|--------------------|---------|
| First National Bank | Oneida, Ill.       | 21      |
| First National Bank | Carsonville, Mich. | 18      |

DISTRICT No. 9.

|                     |                   | Shares. |
|---------------------|-------------------|---------|
| First National Bank | Streeter, N. Dak. | 15      |

DISTRICT No. 12.

|                        |                       |    |
|------------------------|-----------------------|----|
| First National Bank    | Bonniers Ferry, Idaho | 17 |
| Overland National Bank | Boise, Idaho          | 72 |

On motion applications for surrender of stock  
in Federal reserve banks were approved as follows:

DISTRICT No. 3.

|                        |                  |   |
|------------------------|------------------|---|
| First National Bank    | LeRaysville, Pa. | 5 |
| The Nanticoke National | Nanticoke, Pa.   | 6 |

DISTRICT No. 4.

|                                    |                     |     |
|------------------------------------|---------------------|-----|
| The First National Bank of Benson, | Holsopple, Pa.      | 1   |
| First National Bank                | West Middlesex, Pa. | 1   |
| First National Bank                | Rimersburg, Pa.     | 4   |
| The Marine National Bank           | Ashtabula, Ohio.    | 3   |
| National Bank of Morrow Co.        | Mount Gilead, Ohio. | 30  |
| First National Bank                | Uniontown, Pa.      | 660 |

DISTRICT No. 7.

|                            |              |     |
|----------------------------|--------------|-----|
| The Illinois National Bank | Peoria, Ill. | 180 |
|----------------------------|--------------|-----|

DISTRICT No. 8.

|                         |                |   |
|-------------------------|----------------|---|
| The First National Bank | Preston, Minn. | 3 |
|-------------------------|----------------|---|

DISTRICT No. 10.

|                       |                     |    |
|-----------------------|---------------------|----|
| First National Bank   | Cortez, Colo.       | 18 |
| Rocky Mountain Nat'l. | Central City, Colo. | 3  |

DISTRICT No. 12.

|                         |                |    |
|-------------------------|----------------|----|
| The Citizens Nat'l Bank | Baker, Oregon  | 3  |
| Exchange National Bank  | Spokane, Wash. | 30 |

Mr. Harding, to whom had been referred an inquiry of Federal Reserve Agent Wills relative to the requesting of borrowers' statements with rediscounted paper, submitted a report to the effect that the option in respect to waiving the requirement that a borrower's statement shall be on file, rests with the member bank in every case. On motion the report was accepted, and the Secretary of the Board was directed to write Mr. Wills accordingly.

On motion permission was granted to Chief Clerk Wilmeth of the Treasury Department to use the Board room for a conference on July 23 at 10 o'clock.

The Comptroller of the Currency filed with the Board a report of the committee of examiners which met on July 12, for consideration of the relations between chief examiners and Federal reserve banks. The report was received, and, on motion, it was voted that the Secretary of the Board transmit a copy of it to each Federal reserve bank with a request for comment thereon.

The question of the terms of a letter to be sent to Governor Strong of New York regarding lines of acceptance credits was considered. No final action was taken.

The Secretary of the Board presented a letter from Governor Seay of Richmond with reference to the question whether some one other than the reserve agent or the deputy reserve agent, could sign applications for stock. It was voted that Governor Seay be informed that the signature of the Federal reserve agent or of his deputy must be had.

In answer to an inquiry from Deputy Federal Reserve Agent McCaleb relative to the publication of a monthly bulletin by the Federal Reserve Bank of Dallas, the Secretary was directed to say that the Board deems such action inadvisable for the present.

A letter from Federal Reserve Agent Perrin relative to litigation concerning savings deposits in California, was ordered referred to the Counsel of the Board.

The Secretary was directed to ask Federal Reserve Agent Jay what results had been obtained in negotiations with the Hudson Trust Company regarding its entrance to the system.

An application of the Federal Reserve Bank of Philadelphia for power to hold warrants amounting to \$65,000, out of a total of \$225,000, issued by Atlantic

City, N. J., was approved.

A letter from Mr. T. O. Hague, addressed to Governor Hamlin, was referred to Federal Reserve Agent Perrin for suggestion as to a reply.

The Secretary of the Board was directed to write a letter to the Broadway Trust Company, stating the present policy of the Board with regard to the establishment of branches by State banks becoming members of the system.

The Governor of the Board stated the substance of a confidential letter received from Federal Reserve Agent Perrin regarding the banking situation in California, as calling for a special supply of Federal reserve notes, and was informed by the Vice Governor that action had already been taken to protect the California situation.

The Governor laid before the Board a request received from the joint committee on printing, which was read and a reply ordered transmitted.

The Governor of the Board presented a letter from Secretary of the Treasury McAdoo, transmitting certain recommendations regarding a successor to Federal Reserve Agent Tenison. These were received and laid on the table

pending the time when the subject is taken up for action.

On motion the Board voted to authorize the Governor, if possible and convenient, to attend a meeting of the Indiana Trust Companies, set for October 12, an invitation to which had been extended to him.

The Governor of the Board submitted a draft of a letter to Mr. H. R. Fowler regarding certain statements made in a recent brief filed by the latter. The letter was approved and ordered transmitted.

The Governor submitted a communication from Counsel with respect to certain legal aspects of the Fowler brief. The opinion was received and ordered filed, but not published.

On motion the Board adjourned to meet on Friday, July 23, at 11.00 a. m. in the office of the Governor.

*J. Parker Willis*  
Secretary.

APPROVED:

*C. Staudlin*

Chairman.