

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:00 a. m., on Monday, March 6,

PRESENT:

Mr. Hamlin, presiding	Mr. Warburg
Mr. Delano	Mr. Harding
Mr. Williams	Mr. Miller

Mr. Willis, Secretary.

The minutes of the morning and afternoon meetings of March 2; the hearing and morning meeting of March 4, were read and approved.

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

DISTRICT No. 11.		Shares
First National Bank	Cumby, Texas	54
DISTRICT No. 4.		
First National Bank	West Newton, Pa.	6
Peoples National Bank	Waynesburg, Pa.	5
First National Bank	Beaver, Pa.	46

DISTRICT No. 6. Shares.

First National Bank	Senobia, Ga.	18
First National Bank	Cochran, Ga.	27

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

DISTRICT No. 2. Shares.

Merchants Nat'l Bank	New York City	300
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DISTRICT No. 3.

Grantham Nat'l Bank	Grantham, Pa.	2
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DISTRICT No. 4.

Wilmerding Nat'l Bank	Wilmerding, Pa.	1
First National Bank	Toledo, Ohio	60
Farmers Nat'l Bank	Somerset, Ky.	1
Farmers Nat'l Bank	Springfield, O.	3
First National Bank	Rimersburg, Pa.	2
Southern Nat'l Bank	Richmond, Ky.	1
First National Bank	N. Baltimore, O.	1
Brown County Nat'l	Mt. Orab, Ohio	1
Monaca National Bank	Monaca, Pa.	1
First National Bank	Mt. Sterling, O.	3
New First Nat'l Bank	Meadville, Pa.	6
First National Bank	Mason, Ohio	1
Citizens Nat'l Bank	Lancaster, Ky.	3
Lyndora National Bank	Lyndora, Pa.	6
Peoples National Bank	Latrobe, Pa.	3
Peoples National Bank	Jeanette, Pa.	1
First National Bank	Farrell, Pa.	1
Peoples National Bank	Ellwood City, Pa.	1
Citizens National	Covington, Ky.	15

First Nat'l Bank of Latonia	Covington, Ky.	1
National Bank of John A. Black	Barbourville, Ky.	3
First National Bank, Cheviot, Sta. L.	Cincinnati, Ohio	1
First National Bank	Baltimore, Ohio	1

DISTRICT No. 5.

Farmers & Merchants National Bank	Ayden, N. C.	2
First National Bank	Ravenswood, W. Va.	3

DISTRICT No. 7.

First National Bank	Le Roy, Ill.	1
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DISTRICT No. 9.

First National Bank	Howard, S. Dak.	8
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On motion application of the First National Bank of Swanville, Minnesota for fifteen shares of stock in the Federal Reserve Bank of Minneapolis was approved.

On motion it was voted that the Committee assignments, temporarily left vacant through the absence of Mr. Warburg in South America, should be filled by the Executive Committee.

The question of granting fiduciary powers to the Freeport National Bank, Freeport, Texas, was laid on the table.

In this connection Mr. Warburg asked to be recorded as thinking that the Committee on State and Member banks in considering the granting of fiduciary powers should not take into account the question of rates of interest charged by an applicant bank, except in flagrant cases.

Mr. Delano, as Chairman of the Committee on Clearings, was on motion authorized to invite Messrs. McKay and Hendricks to confer with members of the Board in Washington, at some time during the current week on the subject of check clearance.

The question of the form of the monthly Treasury Circulation Statement with special reference to Federal reserve notes outstanding was referred to the Committee on Relations with

the Treasury Department for consideration and report.

On motion, rates of discount established by the Federal Reserve Bank of Cleveland were approved as follows:

Trade acceptances, maturities up to sixty days, 3%,

Trade acceptances, maturities 61 to 90 days, $3\frac{1}{2}\%$.

On motion an application for the issue of Federal reserve notes to the Federal Reserve Bank of Dallas in the following denominations, duly recommended by the Committee on Issue and Redemption, were approved:

\$50 denomination	\$400,000
100 "	800,000.

On motion action informally taken by members of the Board prior to the meeting, raising the limit for the purchase of warrants at Minneapolis under Regulation F, Circular 7, to 20%, was approved.

A memorandum prepared by Mr. Broderick with reference to the conditions under which dividends are to be paid by Federal reserve banks was referred to Mr. Harding as Chairman of the Committee on Member and State Banks.

A letter from the President of the First National Bank of Shreveport, (Mr. Andrew Querbes), with report of Mr. Harding thereon, regarding the transfer of Louisiana banks from District No. 10 to District No. 6, was read and the Secretary instructed to write the bank accordingly.

The Secretary of the Board gave notice that April 1st had been generally accepted as the date for effective transfer in the Louisiana and Connecticut redistricting cases.

The question of the date when the salary of the Comptroller of the Currency as a member of the Board became effective was

laid on the table until the afternoon meeting.

A letter from the Secretary of the Treasury relative to the proportion of bonds and one-year notes to be included in conversion operations, and stating the amount of each at 50% of the total converted for any bank, was read and action ordered taken accordingly.

The question of selecting the Federal Reserve Agent for Richmond, previously made a special order for the morning, was laid on the table until the afternoon meeting.

A letter from Federal Reserve Agent Rich inquiring as to the transmission of minutes of the Board of Directors of the Federal Reserve Bank of Minneapolis was considered. No action was taken.

Mr. Hamlin submitted an invitation addressed to him by the Executive Committee

of the American Bankers' Association for attendance by the Board at the spring meeting at Briarcliff Lodge. The Secretary was directed to reply expressing thanks and declining on behalf of the Board.

Mr. Hamlin submitted a letter from Mr. William Woodward of New York indicating that some National banks were on the point of withdrawing from the system.

Mr. Hamlin submitted a letter drafted by the Committee on Law as to Senate Resolution No. 62, relating to Salaries of National Bank Employees. The letter was discussed and on motion referred to Mr. Miller and Mr. Harding for further consideration.

A letter addressed to Senator Owen, relative to the proposed amendment of Section 5234, Revised Statutes, was read as a report of the Law Committee and approved subject to a minor change suggested by the Comptroller

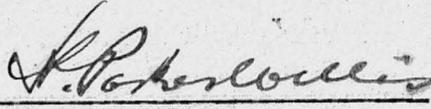
of the Currency as to the deposit of security with the Treasurer of the United States. The letter was ordered transmitted.

Mr. Hamlin submitted a draft of a letter to Senator Owen, relative to the proposed amendment to the Clayton Act whereby modification would be introduced into the provision relating to interlocking directors. The letter was discussed and laid on the table.

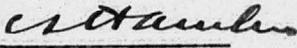
Mr. Harding reported that in accordance with the agreement reached by the Board, he had recently written to the Federal reserve banks under his immediate committee oversight, suggesting that they reduce the trade acceptance rate to 3%. He had had a reply from Richmond to the effect that it was thought inadvisable by the Board of Directors at that place to cut the trade acceptance rate on account of the low level already reached by prevailing rates.

Mr. Warburg reported in favor of the granting of power to act as Administrator to the Bath National Bank, Bath, Maine, in addition to the other fiduciary powers already granted to the institution. The Secretary was directed to notify the Federal Reserve Bank of Boston and the Bath National Bank accordingly.

On motion at 1:15 p. m. the Board adjourned to meet at 3:00 p. m. this day.


Secretary.

APPROVED:


Chairman.