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.

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.

First National Bank Sonoia, 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.

Merchants Nat'l Bank New York City 300

DISTRICT No. 3.

Grantham Nat'l Bank Grantham, Pa. 2

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

DISTRICT No. 9.
First National Bank Howard, S. Dak. 8

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\%\%.

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.

Approved:

Chairman.