

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:15 a. m., on Tuesday, April 4,

PRESENT:

Mr. Hamlin, presiding Mr. Williams

Mr. Delano Mr. Harding

Mr. Miller

Mr. Elliott, Counsel

Mr. Allen, Secretary.

The minutes of the meeting of April 3 were read and approved.

Upon reconsideration, the opinion of Counsel on the request of the Federal Reserve Bank of Cleveland for authority to purchase warrants of the City of Bath, Maine, was approved and the Governor requested to communicate permission to take the warrants to the Cleveland Bank.

Upon request of the Federal Reserve Agent at St. Louis, the Federal Reserve Bank

of St. Louis was authorized to purchase \$1,-500,000 of Kentucky warrants, subject to the approval of the Board of Directors of the St. Louis Bank.

A telegram from Federal Reserve Agent Perrin, Chairman of the last Conference of Federal Reserve Agents, suggesting May 29, as the date for a meeting of all agents in Washington, was read and the date approved.

A letter from Mr. Z. L. Cobb, Collector of Customs at El Paso, Texas, to the Secretary of the President, recommending Mr. A. P. Coles for Class "C" Director of the Federal Reserve Bank of Dallas in the place of Mr. Felix Martinez, deceased, was read and referred to Mr. Harding.

The Secretary read a telegram from the Federal Reserve Bank of Kansas City stating that they are purchasing bonds, and his reply thereto.

A letter from the Deputy Commissioner of Internal Revenue stating in reply to an inquiry from the Board that acceptances are not subject to a stamp tax, was read and the ruling ordered to be sent to the Carter White Lead Company, which had made inquiry.

Amendments proposed by the Board and by the Comptroller of the Currency covering the use of the word "Federal" in names of banks, were given consideration and after discussion were referred to Counsel for the preparation of a new draft.

An opinion of Counsel holding that under the Clayton Act directors of savings and loan associations with resources of more than \$5,000,000 are ineligible to serve at the same time as directors of National banks, was returned to Counsel with the request that he prepare a letter to the association making

the inquiry.

Favorable report of the Committee on Operation of Federal Reserve Banks, as to the request of the Federal Reserve Bank of Kansas City for approval of an increase in its rates of one-half of one per cent to 4% for ten days or less and $4\frac{1}{2}\%$ from ten to ninety days on commercial paper, was presented and after discussion the matter laid on the table to await a reply to a telegram asking the reason for the increase. Subsequently the Executive Committee was authorized to act in the matter.

Mr. Delano stated that upon advice that Governor Strong would not arrive in the United States until April 14, he had authorized the postponement of the meeting of Governors in Washington to the week of April 17.

A proposed letter to the New Jersey State Chamber of Commerce, reported by the Committee to which it was referred, was

read, discussed and referred to Mr. Miller.

Governor Hamlin presented the comments of Federal Reserve Agent Jay upon the last draft of the amendment to domestic acceptances and after discussion the amendment was referred to Counsel with the request that he consult with Mr. Harding and incorporate certain changes under discussion, the completed draft to be considered as a special order on April 5. The Executive Committee was authorized to pass upon the new draft and to forward it to Congress.

Mr. Williams requested the opinion of the Board as to the advisability of summoning the heads of bonding companies for a conference to consider the matter of guaranty of deposits of national banks, and this was discussed by members of the Board and with Counsel, but without action. In this connection it was directed that a letter addressed by Mr. Williams to Governor Hamlin

stating that Representative Glass had taken up with the Comptroller a pending bill to authorize national banks to take advantage of State laws as to the guaranty of deposits, asking his opinion, to be circulated with an opinion of Counsel and the reply to the letter of Representative Glass.

A telegram from Federal Reserve Agent Curtiss requesting the shipment of \$1,000,000 in Federal reserve notes of the \$10 denomination, was approved by the Board on the statement that the application therefor would be forwarded by mail.

Mr. Harding reported in an amended form the Bankhead amendment as to a minimum charge of \$1.00 to be made for loans by national banks. The suggestion of the Committee was that a rate of 12% be permitted on loans of not to exceed \$100.00. This was after discussion referred to Mr. Harding and

Counsel for the preparation of a letter to the proper committee of Congress to be submitted to the Board.

A report of the Committee on Issue and Redemption, stating that the Committee had not yet reached a conclusion as to a minimum supply of notes to be maintained in Washington but recommending additional printing for the Federal Reserve Banks of Atlanta, Dallas and New York, was submitted and approved, notes to be printed as follows:

Federal Reserve Bank of	In thousands of dollars.					Total
	5's	10's	20's	50's	100's	
<u>Atlanta:</u>						
On hand	\$4,400	\$200	- -	\$200	\$800	\$5,600
To be printed	- -	5,000	2,400	400	- -	7,800
<u>Dallas:</u>						
On hand	3,300	640	240	- -	- -	4,180
To be printed	- -	2,400	2,400	1,000	800	6,600
<u>New York:</u>						
On hand	68,000	93,480	35,520	3,800	1,600	192,760
To be printed	25,000	25,000	8,400	1,000	2,000	61,400

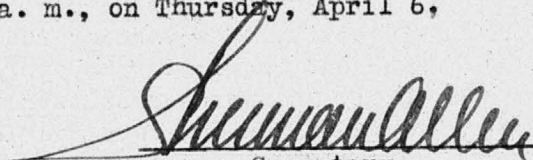
The application of the First State Bank of De Kalb, Texas, for admission to the Federal Reserve System, was favorably reported and the application approved.

Applications of the following banks for fiduciary powers, favorably reported by the Committee on Member and State Banks, were approved:


Central State National Bank, Memphis, Tenn.
Farmers National Bank, Sheridan, Indiana.
First National Bank, Beaumont, Texas.
First National Bank, Troup, Texas.
First National Bank, Mt. Vernon, Indiana.

The application of the First National Bank of Rochester, Indiana, for fiduciary powers was held for further information.

At 12:50 p. m., the Board adjourned to meet at 11:00 a. m., on Thursday, April 6,


Secretary.

APPROVED:


Chairman.