

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:10 a. m., on Wednesday, May 10,

PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Miller

Mr. Allen, Secretary.

The minutes of the meeting of May 9 were read and approved.

On motion of Mr. Delano the increase in the commodity rate at the Federal Reserve Bank of Minneapolis from 3% to $3\frac{1}{2}\%$, requested under date of May 1, was approved. It was agreed that Mr. Williams should, if he so desired, be recorded as voting on this matter. Mr. Hamlin stated that he voted for the change on the showing that the crops had already been moved.

Attention was called to a letter from

the Comptroller of the Currency forwarding a memorandum from the Division of Issue stating the assertion of the Federal Reserve Bank of Kansas City that a package of Federal reserve notes of the \$5 denomination, shipped to it, was short two sheets of notes, or \$40. This matter was referred to the Committee on Audit and Examination.

A letter from Assistant Secretary Malburn stating what the Treasury Department will do in connection with the redemption of notes if they are perforated, was read, and referred to the Committee on Audit and Examination.

The request of the Federal Reserve Bank of Minneapolis for authority to accept the certification of the Bureau of Statistics, Commonwealth of Massachusetts, in lieu of other legal opinions in connection with the purchase of Massachusetts warrants, similar permission

having been given to the Federal Reserve Bank of Boston, was given favorable action.

It was voted that the staff of the Board should be excused on May 30, Memorial Day.

The question of the candidacy of Director E. T. Meredith for Governor of Iowa, was passed over.

The statement of Counsel in connection with the demand of one of the member banks authorized to execute the organization certificate for the Federal Reserve Bank of Kansas City, that its expenses in that connection had not been paid, was read. This showed that a telegram inviting the bank to perform the duty, stated that the bank would pay the expenses of its officers. This was referred to the Committee on Operation of the Kansas City Bank with power to act.

The report prepared by Mr. Delano and

Mr. Harding on the policy of conducting the Federal Reserve Bulletin, was approved, it being agreed that in case the Secretary of the Treasury so desired, the matter would be re-considered.

Applications for additional stock, duly recommended by Mr. Harding as chairman of the Committee on Member and State Banks, were approved as follows:

DISTRICT No. 3.		Shares.
Hop Bottom National	Hop Bottom, Pa.	1
Peoples National		
Bank of Patterson	Mifflin, Pa.	3

DISTRICT No. 4.		
First Nat'l of Benson	Hollsopple, Pa.	1

DISTRICT No. 5.		
Woodbine National	Woodbine, Md.	1
First National Bank	Sandy Spring, Md.	1
First National Bank	Monrovia, Md.	1
First National Bank	Aberdeen, Md.	6
Merchants National	Winston-Salem,	
	N. C.	1
First National Bank	Spencer, N. C.	1
First National Bank	Roanoke Rapids,	
	N. C.	1

Merchants National	Raleigh, N. C.	6
First National Bank	Marion, N. C.	1
Farmers & Merchants National Bank	Ayden, N. C.	2
Bank of Hartsville	Hartsville, S. C.	3
Peoples National	Conway, S. C.	2
St. Paul National	St. Paul, Va.	1
Waynesboro National	Waynesboro, Va.	1
Rappahannock Nat'l National Bank of	Washington, Va.	1
First National Bank	Norton, Va.	3
First National Bank	Newport News, Va.	15
Highland at	Monterey, Va.	6
Peoples Nat'l Bank	Manassas, Va.	1
First National Bank	Lebanon, Va.	1
First National Bank	Honaker, Va.	2
National Bank	Gordonsville, Va.	2
First National Bank	Galax, Va.	2
First National Bank	Clifton Forge, Va.	30
First National Bank	Chatham, Va.	3
Peoples Nat'l Bank	Abingdon, Va.	1
Citizens Nat'l Bank	Philippe, W. Va.	6
First National Bank	Worthington, W. Va.	1
First National Bank	W. Union, W. Va.	1
First National Bank	Romney, W. Va.	1
First National Bank	Reedy, W. Va.	1
First National Bank	Pennsboro, W. Va.	1
Citizens Nat'l Bank	Morgantown, W. Va.	1
First National Bank	Fairview, W. Va.	1
First National Bank	Anawalt, W. Va.	3
First National Bank	Alderson, W. Va.	1

DISTRICT No. 6.

First National Bank	Sylacauga, Ala.	1
Maury National Bank	Columbia, Tenn.	3

DISTRICT No. 7.

First National Bank	Dolton, Ill.	3
First National Bank	New Hampton, Ia.	3
First National Bank	Clarence, Iowa	3
First National Bank	Newton, Iowa	18
First National Bank	Birmingham, Michigan	18

DISTRICT No. 12.

First National Bank	Baldwin Park, Calif.	1
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Governor Hamlin reported to the Board that the committee appointed yesterday had appeared before the Committee on Banking and Currency of the Senate in connection with the Board's amendments.

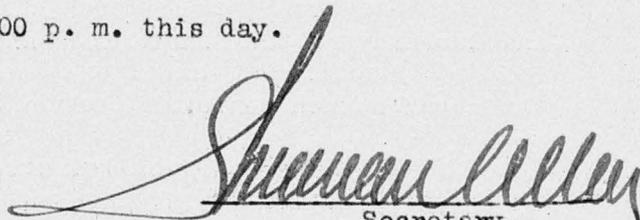
The Secretary called attention to matters pending which had been postponed for action at a full meeting of the Board.

Consideration of the proposed amendment to the Act as to the issue of Federal reserve notes was undertaken, and Mr. Warburg read a memorandum on the present note issuing power of Federal reserve banks. No action

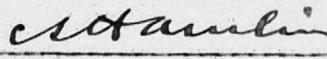
was taken.

Mr. Warburg read a personal letter which he had prepared addressed to Representative Glass in connection with the Rural Credits Bill reported to the House by the Committee on Banking and Currency, having special reference to farm land bonds as security pledged with Federal reserve banks. No objection was made to the sending of the personal letter.

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


Secretary.

APPROVED:


Chairman.