

At a regular meeting of the Federal Reserve Board held in the office of the Governor at eleven a. m. on Wednesday, May 16,

PRESENT:

Mr. Warburg, presiding, Mr. Miller,
Mr. Hamlin, Mr. Allen, Assistant
Secretary.
Mr. Delano,

The minutes of the meetings of the Board held on May 11, morning, May 11, afternoon, May 12, and May 14, were read, and on motion, approved.

The minutes of the meeting of the Executive Committee held on May 12 were read and approved, and the action therein set forth ratified.

On motion of Mr. Hamlin, Mr. Miller was designated a member of the Executive Committee to serve during the absence of Governor Harding.

Attention was directed to a letter from Federal Reserve Agent Perrin asking for the decision of the Board in connection with the designation of Ogden, Utah, as a reserve city, and this matter was referred to Mr. Delano and Mr. Miller. They were also, by vote of the Board, made a standing committee on central reserve and reserve cities.

Vice Governor Warburg suggested consideration of the question whether a rate of $\frac{1}{2}\%$ below 90 day commercial paper for the Liberty Loan Bonds should not be established by Federal Reserve Banks, and this was discussed but without action.

A letter from Senator Poindexter transmitting a letter from the Olympia National Bank of Olympia, Washington, relative to a change in law to cover the acceptance of abraded gold coin by Federal Reserve Banks at its full value, was referred to Mr. Delano and Mr. Miller for a report on the whole matter.

A letter from Mr. Charles Parker Breese of Norfolk, Va., to the Comptroller of the Currency complaining of speculation in food products, and alleging that aid in this endeavor was given by national banks, was read, and it was voted to return the letter to Mr. Williams, with the request that he obtain the names of the people who have engaged in speculation and the banks assisting them, for the assistance of the Board in looking into the matter.

The substance of a memorandum from the British Embassy with reference to a Chicago bank suspected of doing business with alien enemies, transmitted under date of May 15, was

ordered sent to the Federal Reserve Bank of Chicago for appropriate action by the Chicago Federal Reserve Bank.

A letter to Vice Governor Warburg from Mr. A. D. Welton, editor of the American Bankers' Journal, relative to alarm on the part of savings banks because of the situation as to the sale of Government bonds, was read, and it was voted that the Board would give a hearing on this matter to Mr. George E. Edwards, president of the Savings Bank Section of the American Bankers' Association, at eleven o'clock on May 21.

Changes in capital stock of Federal Reserve Banks, duly recommended by the Committee on Member and State Banks, were approved as follows:

Applications for Additional stock.

District No. 4.

First National Bank,	Alliance, O.	24
Georgetown National Bank	Georgetown, Ky.	15
First National Bank	Brookville, O.	1
First National Bank of Salisbury,	Elk Lick, Pa.	<u>3</u>

District No. 7.

First & Hamilton Natl Bank	Fort Wayne, Ind.	<u>246</u>
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District No. 12.

First National Bank	Linnton, Ore.	<u>4</u>
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District No. 5.

Caroline National Bank	Darlington, S.C.	1	
First National Bank	Hartsville, S.C.	1	
Page Valley National Bank	Luray, Va.	13	
First National Bank	Romney, W. Va.	<u>1</u>	<u>16</u>
			309

Applications for Surrender of Stock.District No. 7.

Hamilton National Bank	Fort Wayne, Ind.	360
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District No. 10.

First National Bank	Fairfax, Okla.	<u>14</u>
		374

Applications for Original stock.District No. 5.

First National Bank,	Fairfax, S. C.	14
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District No. 10

First National Bank	Summerfield, Kans.	<u>17</u>
		31

A letter from the Central National Bank of Philadelphia deploring the restrictions placed about loans which can be rediscounted by Federal reserve banks, and suggesting that the restrictions as to credit status be less rigid, was referred to the Committee on Investment.

The request of the Federal Reserve Bank of New York for additional notes of the \$100 denomination, so that their

supply of notes would be as follows, was approved:

5's	\$220,000,000
10's	200,000,000
20's	80,000,000
50's	20,000,000
100's	80,000,000

The minutes of the Clayton Act Committee for a meeting held in the office of Mr. Hamlin at 3 p.m., May 16, were read and approved.

Conditional approval was also given to the request of the First National Bank of Payette, Idaho, for permission to reduce its capital from \$60,000 to \$50,000. The request for reduction of its surplus from \$20,000 to \$10,000 was not acted upon.

The fiscal Agent of the Board, Mr. Allen, read a telephone memorandum from the Federal Reserve Bank of New York requesting that there be withdrawn from their credit balance in the Gold Settlement Fund \$25,000,000, and that this be paid to the Federal Reserve Bank of New York through the Assistant Treasurer at New York. Upon the statement of Mr. Hendricks that this payment was vitally necessary, the Fiscal Agent was authorized by the Board to make it, subject to telegraphic confirmation by the New York Bank.

On motion at 12.30 p.m. the Board adjourned.

APPROVED:

Ass't Secretary.

Chairman.