

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Governor on Tuesday, June 5, at eleven a.m.,

PRESENT:

- Mr. Harding,
- Mr. Miller,
- Mr. Delano,
- Mr. Willis, Secretary.

Governor Harding read to the Committee a memorandum left in his hands by Mr. Warburg with reference to the eligibility of paper made by non member banks and used for the purpose of securing discounts at Federal reserve banks, when protected by Government obligations. He also read a telegram which Mr. Warburg had transmitted to Governor Seay on June 4, answering questions with reference to this matter. The correspondence was noted and ordered filed.

Mr. Harding further read a memorandum prepared by Mr. Warburg presenting a proposed amendment to the National Bank Act designed to modify the present provisions limiting the amount of loans in proportion to capital, in so far as relates to loans based on Government obligations. No action was taken.

Mr. Harding further read for the information of the Committee a letter he had received from Mr. E. S. Wing of

La Crosse, Wisconsin, with reference to exchange charges and statements said to have been made by Mr. Harding with reference thereto.

Mr. Harding presented to the Committee the applications of the German Savings Institution of St. Louis, Mo., and the Jefferson Commercial Savings Bank of Gretna, Louisiana, for admission to the Federal reserve system, together with the favorable recommendation of the Federal Reserve Banks of St. Louis and Atlanta, respectively, and also of the Chief Examiner of the Board. Both applications were discussed in detail, but action was deferred until a full meeting of the Board could be obtained.

Mr. Miller presented to the Committee a circular recently sent out by the Federal Reserve Bank of San Francisco with reference to the question of relations between small member banks and reserve city banks, and approving of these in preference to rediscount relations between the small banks and the Federal reserve bank. The matter was discussed and ultimately referred to Mr. Miller to be disposed of according to his best judgment pending a full meeting of the Board when further discussion could be given to the subject.

Mr. Harding read a letter transmitted to him by Mr. A. J. Frame of Waukesha, Wisconsin, with reference to the amendments to the Federal Reserve Act, now pending in Congress.

General discussion of the pending amendments ensued.

On motion, at 12.30 p.m. the Committee adjourned.

APPROVED:

*[Handwritten signature]*  
Chairman.

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Secretary.