

A meeting of the Federal Reserve Board was held in the office of the Board on Saturday, May 14, 1921, at 10:40 a.m.

PRESENT: Governor Harding
 Mr. Hamlin
 Mr. Miller
 Mr. Mitchell
 Mr. Hoxton, Secretary.

Minutes of the meeting of the Board held May 13th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business May 12th and the status of rediscounts between the Federal reserve banks as of the same date.

The Governor reported rediscount transactions, member bank promissory notes secured by Government obligations, rate $6\frac{1}{2}\%$, as follows:

<u>Date</u>	<u>Bank redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 13	Dallas	Boston	\$1,500,000	11-15 days

Letter dated May 12th, from the Railway Loan Advisory Committee of the Federal Reserve Board, requesting approval of a form of loan in the amount of \$33,000 to be made to the Fernwood, Columbia and Gulf Railroad Company, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Application dated May 11th, from the First National Bank of Bridgeport, Conn. for permission to accept up to 100% of its capital and surplus under the provisions of Section 13 of the Federal Reserve Act.

Approved.

Letter dated May 9th, from the Federal Reserve Agent at Boston, transmitting with his favorable recommendation the application of the Union & New Haven Trust Company of New Haven, Conn., for the approval of the Federal Reserve Board, covering the said Trust Company's action in taking over the assets of the Peoples Bank & Trust Company of New Haven, Conn.

Approved.

Letter dated May 9th, from the Assistant Federal Reserve Agent at Cleveland, submitting, with the approval of that Bank, the application of the Commercial Savings Bank & Trust Company of Toledo, Ohio, for permission to broaden its powers to the extent of issuing debenture bonds against mortgages for the specific reasons given.

Approved.

Letter from the Chairman of the Federal Reserve Bank of Atlanta, enclosing a copy of certain resolutions passed by the Board of Directors of that Bank on April 29th, setting forth the distressed condition of agriculturists in the Sixth Federal Reserve

District, and suggesting that methods be devised to stimulate the sale of farm loan bonds.

Ordered transmitted to the Farm Loan Board.

Letter dated May 16th, from Mr. A. D. Whiteside, President of the National Credit Office, New York, suggesting a plan under which the discount rates of the Federal reserve banks will fluctuate in relation to the reserve ratios, in accordance with pre-announced schedules.

No action. It was suggested that this matter be referred to the Federal Advisory Council at its meeting on Monday.

Letter dated May 13th, from the Federal Reserve Bank of Chicago, with reference to assisting the situation in certain communities in Iowa through consolidation of banks.

Referred to Mr. Mitchell.

Letter dated May 13th, from the Chairman of the Federal Reserve Bank of Philadelphia, setting forth his views in regard to a proposed amendment to the Federal Reserve Act, originating in Pennsylvania, which will revoke the authority of the Federal Reserve Board to grant fiduciary powers to national banks.

Referred to the Law Committee.

Letter dated May 13th, from the Chairman of the Federal Reserve Bank of Philadelphia, requesting the interpretation of a paragraph in the Board's recent letter in regard to "the authority

of national banks to guarantee letters of credit and acceptances".

Referred to General Counsel.

Letter dated May 13th, from Mr. Gilbert, Assistant Secretary of the Treasury, with reference to Circular No. 176 of the Treasury Department, dated December 21, 1919, and requesting advice as to the policy which will be pursued by Federal reserve banks in the case of items deposited with them by the Treasury Department and which are returned unpaid, owing to the subsequent failure of the drawee banks.

Referred to Governor Harding for reply.

REPORTS OF COMMITTEE NO. 1:

Dated May 13th, Recommending approval of the application of Mr. Guy W. Moore to serve at the same time as director of the Luzerne National Bank of Luzerne, Pa. and as Vice President and director of the Wyoming Valley Trust Co. of Wilkes Barre, Pa.
Approved.

Dated May 13th, Recommending approval of the application of Mr. John G. Pew to serve at the same time as director of the Delaware County National Bank of Chester, Pa. and as director of the Pittsburgh Trust Co. of Pittsburgh, Pa.
Approved.

Dated May 13th, Recommending approval of the application of Mr. Frederick S. Munger to serve at the same time as director of the First National Bank of Utica, N.Y. and as director of the First National Bank of Herkimer, N.Y.
Approved.

Dated May 13th, Recommending approval of the application of Mr. Frederick Brady to serve at the same time as director of the Peoples National Bank of Middletown, Del., and as director of the Security Trust & Safe Deposit Co. of Wilmington, Del.

Approved.

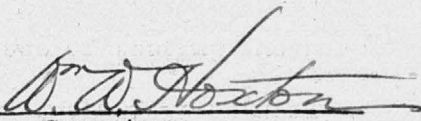
Dated May 13th, Recommending holding of the application of Mr. R. W. Playford to serve at the same time as director of the National Bank of Fayette County, Uniontown, Pa. and as director and vice president of the Fayette Title & Trust Co. of Uniontown, Pa.

Approved.

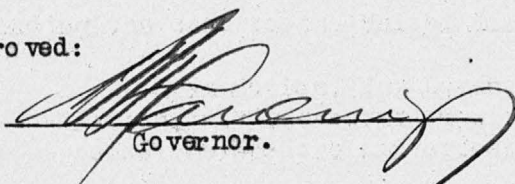
Dated May 13th, Recommending approval of the application of Mr. Averill Tilden to serve at the same time as director of the Fort Dearborn National Bank of Chicago, Ill., as trustee of the Equitable Trust Company of New York City, and as director of the Drovers National Bank of Chicago, Ill.

Approved.

The meeting adjourned at twelve o'clock noon.


Secretary.

Approved:


Governor.