

A conference between the Federal Reserve Board and representatives of the Richmond Bank was held at 9:00 a.m. today, (July 13, 1923).

PRESENT: Governor Crissinger
 Mr. Hamlin
 Mr. Miller
 Mr. James
 Mr. Cunningham
 Mr. Dawes
 Mr. Hoxton, Secretary.

PRESENT ALSO: Mr. Herson
 Mr. Wyatt
 Mr. McIntosh (Deputy Comptroller of Currency)

The Federal Reserve Bank of Richmond being represented by -

Mr. Hardy (Federal Reserve Agent)
 Mr. Peple (Deputy Governor)

Present also by invitation -

Mr. H. P. Turnbull (Vice President of the Hanover
 National Bank, New York City)

The matter of the situation at Columbia, South Carolina, was discussed and the Federal Reserve Bank of Richmond expressed a willingness to cooperate in every possible way with the Comptroller of the Currency in its efforts to save the banks concerned from insolvency; it being brought out that the failure of the three banks concerned would probably result in the failure of a large number of small correspondent banks in South Carolina. It was agreed that the Federal Reserve Bank of Richmond should send representatives at once to Columbia, South Carolina, in order to ascertain how much paper eligible for discount at the Federal Reserve Bank is held in portfolios by the three banks concerned. Mr. Hardy and Mr. Peple expressed the intention to discount for the banks such of the eligible paper held by them as could possibly be accepted. In the meantime the Board advised Messrs. Peple and Hardy that it would be entirely within the law for them to allow

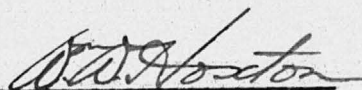
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overdrafts secured by good security although the security might itself be ineligible for discount, the thought being that the plan of allowing secured overdrafts would tide the member banks over for the period intervening before the amount of eligible paper in their portfolios can be determined.

Mr. Turnbull from the Hanover National Bank expressed the willingness of that Bank to carry, during the crisis, for the Columbia, South Carolina Banks, the indebtedness already due by them to the Hanover National Bank, but expressed unwillingness to extend further credit.

The Conference adjourned at 12:00 o'clock.



Secretary.