

At a regular meeting of the Federal Reserve Board held at the residence of the Governor of the Board on Monday, March 22, at 11.30 a. m.

## PRESENT:

Mr. Hamlin, presiding,      Mr. Williams

Mr. Delano                      Mr. Harding

Mr. Willis, Secretary.

The minutes of the meeting of Thursday, March 18, were read and approved.

Mr. Williams offered a revision of the motion adopted by the Board on Thursday, March 18, expressive of the policy of the Board with respect to the granting of trustee and executor powers, as follows:

WHEREAS, The framers of the Federal Reserve Act had in contemplation the establishment of a co-ordinated system of banking in the United States under effective Governmental supervision, and

WHEREAS, It is the opinion of the Federal Reserve Board that the interests of the Government, the banks and the public will be best served, and the success of the system best assured by a membership which will include as many as possible of the banks made eligible under the terms of the Act, and

WHEREAS, In order to equalize the powers of State and National banks as members of the system, the provisions of the Act extend to State banks and trust companies the privilege of membership, when not in contravention of State laws and empower the Federal Reserve Board to extend the powers of National banks by granting such banks permission to act as trustee, executor, administrator, and registrar of stocks and bonds, when not in contravention of State laws, and

WHEREAS, It appears from an examination and analysis of the laws of the several States that banks created and organized under the laws of certain States cannot become members, and the right to exercise the powers of trustee, executor, administrator, etc., cannot be extended to National banks in certain States by reason of the laws of such States:

NOW, THEREFORE, BE IT RESOLVED, That the Federal Reserve Board is in entire sympathy and accord with the efforts of those who are advocating legislation designed to remove such restrictions and to make possible the perfection of a system of banking which will uniformly serve the interests of the public in all of the Federal reserve districts.

On motion the revision was adopted.

On motion of Mr. Williams the Secretary of the Board was directed to give to the press the resolution thus adopted.

Mr. Harding was recorded in the negative.

The minutes of the two conference sessions held with the Governors of the reserve banks on Friday and Saturday, March 12, and 13, respectively, were referred to Mr. Delano for examination.

Applications for the exercise of the powers of trustee, executor etc., duly approved by the Federal Reserve Agents and by the Counsel of the Board were referred to Mr. Williams and Mr.

Harding for report as follows:

Fourth & First National Bank	Nashville, Tenn.
Merchants National Bank	Worcester, Mass.
Peoples National Bank	Boston, Mass.
Merchants National Bank	Salem, Mass.
Aquidneck National Bank	Newport, R. I.
Holston National Bank	Knoxville, Tenn.

On recommendation of the division of Audit and Examina-

tion it was voted that the Board authorize the acceptance of the examination made by the Virginia Banking Department in the case of the Savings Bank of Richmond, Va.; and also the examination made by the bank commissioner of the State of Missouri in the case of the Mercantile Trust Company of St. Louis, Mo., the same to be subject to the general regulations of the Board with reference to the examination of member banks holding State charters.

On motion the amendment to the by-laws of the Board, notice of which had been duly given in accordance with Article 9 of the existing by-laws, was adopted as follows:

Insert after Article III of the existing By-laws, a new article numbered IV, as hereinafter set forth, and renumber the succeeding articles accordingly.

#### ARTICLE IV. THE EXECUTIVE COMMITTEE.

1. There shall be an Executive Committee of the Board consisting of three members, which shall include the Governor and Vice Governor and one other. The third member shall be nominated and elected at a regular meeting of the Board. Members of the Board shall serve as far as practicable in rotation and for periods to be fixed by the Board from time to time. Two members shall constitute a quorum for the transaction of business.

2. It shall be the duty of the Executive Committee of the Board to transact all business of a general nature which can be transacted in accordance with principles already established by the Board, and such as may be delegated to it from time to time; to review and approve important correspondence involving the expression of opinions or decisions of the Board; to prepare and make recommendations governing the conduct of the Board's business and to oversee and control the making of statements to the

press expressive of the Board's policy or descriptive of its action.

3. The Executive Committee may at any time delegate to the Secretary of the Board, either individually or under the supervision of one of its members, the exercise of its functions with reference to publicity as hereinbefore set forth.

It was informally agreed that when members of the Board are elected to serve on the Executive Committee established under the foregoing amendment, they shall be chosen for quarterly periods, or for the unexpired portions of such periods, and that the first period shall extend from the present date until June 1, 1915.

On motion Mr. Warburg was elected a member of the Executive Committee for the first term, extending from the present date until June 1, 1915.

An opinion of Counsel relative to the interpretation of Section 22 of the Federal Reserve Act, was presented to the Board, and on recommendation of the Governor of the Board, it was ordered released and distributed to the Federal reserve agents, subject to such further revision as Counsel might think best to give it prior to its issuance.

On motion it was voted that the recommendations of Counsel with reference to permitting Federal reserve banks to charge interest upon unpaid installments of capital stock due from delinquent subscribing member banks, be adopted, and the

Secretary directed to transmit them to Federal reserve agents.

On motion it was voted that a standard form for the transmittal of Counsel's opinions to the Board, be adopted.

The Secretary of the Board presented a communication from Secretary J. F. Curtis of the Federal Reserve Bank of New York, transmitting copy of a proposed clearance circular submitted by the Governors to the Board. On motion the proposed circular was referred to the Executive Committee with the suggestion that action be expedited.

The application of the State bank of Wolfe City, Texas, for admission to the Federal Reserve system, was referred to Mr. Williams for recommendation.

On motion the Broadway Trust Company of New York City was admitted as a member of the Federal reserve system, it being informally understood that no announcement be made until Tuesday, March 23.

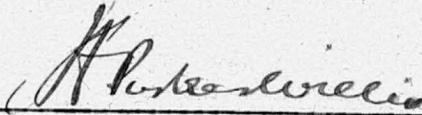
In response to a letter from Mr. Charles C. Huff, Counsel for the Federal Reserve Bank of Dallas, Texas, the Secretary of the Board was directed to write him that the Board would permit the filing of additional arguments in the Oklahoma redistricting case on behalf of the Dallas bank, provided such arguments be filed not later than April 15.

A letter from Chief of Division Broderick, relative to conditions at the Atlanta bank was read to the Board.

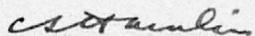
A communication from the Providence Chapter of the American Institute of Banking, asking that a speaker be designated to appear before the Chapter at an approaching meeting, was read and laid on the table.

On motion it was voted that Mr. Harding and Mr. Williams be named a special committee to prepare as promptly as possible a regulation under the terms of which national banks may accept up to the amount of 100 per cent of capital and surplus, in accordance with the recent legislation of Congress on this subject.

On motion at 12.30 p. m. the Board adjourned to meet at 11.00 a. m. on Tuesday, March 23.

  
Secretary.

APPROVED:

  
Chairman.