

At a special meeting of the Federal Reserve Board held in the office of the Board on Thursday, June 3, at 3.00 p. m.

## PRESENT:

Mr. McAdoo, presiding,	Mr. Warburg
Mr. Hamlin	Mr. Harding
Mr. Delano	Mr. Miller
Mr. Willis, Secretary.	

The minutes of the morning and afternoon meetings of June 2 were read and approved.

On motion the Board approved applications of the following banks for the right to exercise the functions of trustee, executor, administrator, and registrar of stocks and bonds, upon the recommendation of Mr. Harding and Mr. Williams

Commercial National Bank	Shreveport, La.
First National Bank	La Porte, Ind.
First National Bank	Story City, Iowa
Peoples State National	Anderson, Ind.
Ashuelot National Bank	Keene, N. H.
Citizens National Bank	Alexandria, Va.
First National Bank	Cheyenne, Wyoming
Rockville National Bank	Rockville, Ind.
First National Bank	Hutchinson, Kan.
Rushville National Bank	Rush, Ind.
First National Bank	Horton, Kan.
Farmers National Bank	Webster City, Iowa.
First National Bank	Dyer, Ind.
City National Bank	Council Bluffs, Iowa
First National Bank	Eagle, Colo.
Clifton Forge Nat'l Bank	Clifton Forge, Va.

September 19, 1941

All of the records of the Board other than the minutes, including the annual reports, are clear that the Ashuelot National Bank, Keene, New Hampshire, was only granted the right to act as trustee and registrar of stocks and bonds, and that the entry in the minutes for June 3, 1915, is in error in including the powers of executor and administrator.

  
Assistant Secretary.

The following banks were granted the right to act as executor, trustee and administrator:

First National Bank	Trinidad, Colo.
Central National Bank	Carthage, Mo.
Union County National	Liberty, Ind.
First National Bank	Woodward, Okla.

The First National Bank of Tulsa, Oklahoma, was granted the right to exercise the functions of trustee, executor and registrar.

The following were granted the right to act as registrar of stocks and bonds:

National Park Bank	New York City
Fourth Street National	Philadelphia, Pa.

On motion the Board voted to place on the suspended list the following applications of banks for the right to exercise the functions of trustee, executor, etc., the same being in accordance with the recommendation of Mr. Williams and Mr. Harding:

Burnes National Bank	St. Joseph, Mo.
First National Bank	Fortville, Ind.
First National Bank	Beattie, Kan.
Central National Bank	St. Petersburg, Fla.
National Bank of	Mattoon, Ill.
First National Bank	Marion, Ind.
Corsicana National Bank	Corsicana, Tex.
First National Bank of	George, Iowa
First National Bank	Galva, Iowa
Commercial National Bank	Madison, Wis.
Greylock National Bank	Adams, Mass.
National City Bank	Chicago, Ill.
Fairfield National Bank	Fairfield, Iowa

First National Bank	Batesville, Ind.
First National Bank	Rochester, Ind.
Citizens National Bank	Tipton, Ind.
First National Bank	Baraboo, Wis.
Farmers & Merchants National	Wabash, Ind.
First National Bank	Lyons, Neb.
National Produce Bank	Chicago, Ill.
First National Bank	Greenwood, Miss.

The circular relating to the membership of State banks, which had previously been made a special order for the day, was taken up and given discussion. Mr. McAdoo informed the Board that he had examined the various opinions of Counsel produced at the meeting of the preceding day, and now believed that it was feasible to dispense with the opinion of the Attorney General, and proceed with such course of policy as might be determined on. He expressed the opinion that the policy proposed in the circular was one that was open to considerable doubt, stating that he was willing to join with the Board in authorizing the circular in its present form should that be the prevailing opinion. He, however, suggested that a State bank desiring to withdraw from the system be required to give twelve months' notice instead of six as prescribed in the present circular. General discussion ensued, and the question of substituting a twelve months' notice for six months having been put to vote, was carried.

The circular itself being then offered for vote in

its amended form, was adopted. Mr. Williams, who was out of the city, having sent word that he desired to vote in favor of it, was so recorded.

The Secretary of the Board presented a draft of the minutes of a conference between certain Federal reserve agents and certain members of the Board on May 28. On motion the minutes were referred to Mr. Delano for report.

The Secretary of the Board having presented a recommendation of Counsel with reference to an inquiry put by Federal Reserve Agent Wills as to the granting of trustee and executor powers in Kentucky, wherein he suggested that Mr. Wills forward all applications of banks either with or without his favorable recommendation, it was voted that Mr. Wills be so advised, and that a copy of the ruling be sent to all Federal reserve agents, the said letter to inform the agents, however, that it is desired to have them furnish all the facts as to the condition of the banks even in those cases where there seems to be a legal reason for not giving the desired permission to banks that are otherwise in a satisfactory condition.

A memorandum from the Comptroller of the Currency

with accompanying report by Counsel relative to the limit on real estate loans, was referred to Mr. Warburg and Mr. Harding for report.

A letter from Federal Reserve Agent Perrin relative to large denominations of Federal reserve notes, was presented to the Board, and the Secretary directed to say that amendments on this subject had already been suggested by the Board to no purpose.

In answer to a letter from Federal Reserve Agent J. Z. Miller asking for permission to charge interest on debit shortages in deposit balances, the secretary was directed to say that the whole matter had been placed in the hands of Mr. A. C. Miller, who will take it up with him in detail.

On motion it was voted to grant Counsel power to take such steps as are necessary in joining with the Federal Reserve Bank of San Francisco to vest the power of the National banks of California to receive savings accounts and to advertise the fact.

The question of a special rate of discount for 15-day maturities having been presented to the Board and given consideration, it was agreed to refer the subject to the Conference of Governors shortly to meet in Chicago,

for an expression of opinion. It was further agreed to suggest to the Conference the following additional topics:

- "Use of Federal Reserve Banks as fiscal agents."
- "Purchase of trade acceptances by Federal Reserve Banks in open market." //

A letter from Governor Rhoads of the Federal Reserve Bank of Philadelphia requesting authority to reinvest in revenue warrants of the City of New York up to the amount of \$1,750,000, was approved.

A formal letter of notification from Federal Reserve Agent Austin to the effect that he had turned over his duties to Deputy Federal Reserve Agent La Monte during his summer vacation was read to the Board and noted. Mr. Warburg called attention to the fact that the Board had previously settled upon a payment of \$25 a day and traveling expenses for the Deputy Federal reserve agent.

The Secretary of the Board presented the usual weekly discount report, noting that no change was asked for.

A memorandum from the office of the Comptroller of the Currency relative to the report of the First National Bank of New Market, Va. was read, and the Secretary directed to take action in accordance therewith.

The question of compensation of Mr. O. Howard Wolfe for services in connection with the formal opening of the books of the new Gold Settlement Fund having been presented, it was voted to pay Mr. Wolfe the sum of \$200 in consideration of his services.

A letter from Federal Reserve Agent Ingle presenting certain forms for the withdrawal of stock by banks transferred to the Federal Reserve Bank of Cleveland, was referred to Counsel.

Applications for additional stock totaling 96 shares, duly recommended by Mr. Harding, were approved as follows:

<u>DISTRICT No. 6.</u>		Shares.
Calhoun National Bank	Calhoun, Ga.	3
<u>DISTRICT No. 7.</u>		
Farmers & Merchants Nat'l. Bank	Wabash, Ind.	48
German-American National Bank	Pekin, Ill.	15
First National Bank	Mapleton, Iowa	3
<u>DISTRICT No. 8.</u>		
First National Bank	Trenton, Ill.	1
First National Bank	Wayne City, Ill.	2
<u>DISTRICT No. 9.</u>		
First National Bank	Springfield, Minn.	1
First National Bank	Herman, Minn.	3
Fairmont National Bank	Fairmont, Minn.	1
First National Bank	Hamilton, Mont.	2

DISTRICT No. 9. (Cont'd.)

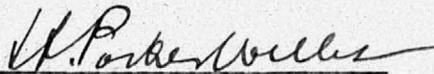
Shares.

United States National Bank	Red Lodge, Mont.	4
Northern National Bank	Ashland, Wis.	6
First National Bank	Scranton, N. Dak.	2
Peshtigo National Bank	Peshtigo, Wis.	1

DISTRICT No. 11.

First National Bank	Burkburnett, Tex.	3
First Guaranty State Bank	Pittsburg, Tex.	1

On motion at 1.55 p. m. the Board adjourned to  
meet at 3.00 p. m. on Friday, June 4.

  
Secretary.

APPROVED:

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Chairman.