

At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, June 28, at 3:00 p. m.,

PRESENT:

Mr. McAdoo, presiding Mr. Williams

Mr. Hamlin Mr. Warburg

Mr. Delano Mr. Harding

Mr. Willis, Secretary.

The minutes of preceding meetings were read and approved as follows:

Morning meeting of the Board of June 22; afternoon meeting of the Board of June 22; Special Executive Committee meeting of June 24.

In approving the minutes of the Board meeting of the afternoon of June 22 it was understood that a proposed resolution relating to a change in the method of handling the Gold Settlement Fund, which it had been intended to spread on the minutes of June 22, should be eliminated therefrom, and referred to a special committee consisting of Mr. Delano and Mr. Warburg for report back to the Board.

The Secretary of the Treasury reported the result of a conversation held by himself and Mr. Harding on the one side and Mr. Charles Starek of New York on the other.

Discussion ensued with reference to the proper method of handling general rulings affecting the national banking system in which the Comptroller of the Currency and the Board were jointly interested.

It was understood that a meeting of Chief Examiners would shortly be called by the Comptroller of the Currency, probably on July 12, for the purpose of determining in what form reports of examinations of member banks could be furnished to Federal Reserve banks. It was further understood that arrangements would be made for securing joint and cooperative action in regard to rulings in which the Board is interested.

The question of the date at which 2% bonds may be converted into 3's was brought up for discussion, but was finally laid on the table until a later meeting.

A letter from Leslie R. Palmer relative to the report regarding the election of a cashier at the Federal Reserve Bank of New York, was read and the Secretary directed to say to Mr. Palmer that the report contained no statement requiring any action on his part.

On motion an application from the Federal Reserve Bank of New York for an issue of Federal reserve notes aggregating \$2,960,000, duly recommended by the Committee on Issue and Redemption, was approved as follows:

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|------------------|-------------|
| \$5 denomination | \$1,000,000 |
| 10 " | 1,000,000 |
| 20 " | 960,000 |

On motion the Board approved seven applications for power to exercise the functions of executor, trustee, etc., duly recommended by Mr. Harding and Mr. Williams, as follows:

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|-----------------------|------------------|
| First National Bank | Versailles, Ind. |
| Central National Bank | Oakland, Cal. |
| Farmers Nat'l. Bank | Glasgow, Ky. |
| Vancouver Nat'l. Bank | Vancouver, Wash. |
| First National Bank | Neosho, Md. |
| Farmers National Bank | Wilkinson, Ind. |
| Ohio National Bank | Columbus, Ohio. |

On motion the Board voted to place on the suspended list eleven applications for trustee and executor powers, as follows:

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|------------------------|-------------------|
| Citizens National Bank | Lebanon, Ky. |
| Bedford National Bank | Bedford, Ind. |
| First National Bank | Manchester, Ia. |
| First National Bank | Sturgis, Ky. |
| National Bank of | Sullivan, Ind. |
| First National Bank | Connellton, Ind. |
| Farmers National Bank | Colfax, Wash. |
| First National Bank of | Shreveport, La. |
| Greylock National Bank | Adams, Mass. |
| First National Bank | Greencastle, Ind. |
| First National Bank | Denver, Colo. |

On motion four applications for trustee and executorships were placed on the suspended list pending the receipt of a report from Federal Reserve Agent Perrin as to certain criticisms regarding these banks, as follows:

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|------------------------|----------------|
| First National Bank | Seattle, Wash. |
| Exchange National Bank | Spokane, Wash. |
| First National Bank | Hoquiam, Wash. |
| Seattle National Bank | Seattle, Wash. |

On motion the application of the Third National Bank of Scranton, Pa. for power to exercise the functions of registrar of stocks and bonds was approved.

A general letter from Deputy Federal Reserve Agent La Monte regarding trustee and executor applications, was laid on the table for the time being.

The application of the Old Colony Trust Company, and letters from the Hudson Trust Company regarding admission to the Federal Reserve system were referred to Mr. Harding and Mr. Williams for report.

The form of a letter to Federal Reserve Agent Jay regarding the admission of the Broadway Trust Co., was approved.

A memorandum regarding the policy to be followed with respect to the State Bank of West Terre Haute, Indiana, was presented and a memorandum on the same ordered transmitted to the Federal reserve agent of the district.

An opinion of Counsel with respect to the question of the place of keeping the reserves of member banks, was approved subject to final assent of the Governor of the Board.

An opinion of Counsel relating to the payment of dividends by Federal reserve banks annually, was approved subject to certain changes in language.

The Board voted to confer with Mr. J. P. Cotton of New York at 11.15 a. m. on Tuesday, June 29.

A communication of Counsel respecting the question of including Federal reserve agent's gold holdings in the Gold Settlement Fund, was laid on the table for later consideration.

The question of providing a plan for clearing Federal reserve notes was referred to a special committee consisting of Mr. Harding and Mr. Delano.

A letter from Messrs. Gillette and Clark regarding the proposed trust company suit against the First National Bank of Bay City, Michigan, was made a special order for the meeting of Tuesday, June 29, with Mr. Cotton.

The question of the designation of South St. Paul as a reserve city was referred to Mr. Harding for report.

On motion it was voted to ask the Comptroller to inform the Board of pending applications of national banks for organization, in order that information might be sent to Federal Reserve agents and their advice obtained, the action being taken as the result of a letter from Federal

Agent J. Z. Miller.

The Secretary of the Board presented the question of expense reports of reserve banks, but, on motion, the subject was laid on the table until a later meeting.

An application of the Federal Reserve Bank of Chicago for the establishment of a limit of 75% of its capital as the amount of agricultural loans to be made by it, was approved.

A letter from Federal Reserve Agent Perrin regarding abraded gold and its treatment, was read to the Board and referred to Counsel.

On motion the Board adjourned to meet at 10.00 a. m. on Tuesday, June 29.

H. Parker Willis
Secretary.

APPROVED:

Chairman.