

At a regular meeting of the Federal Reserve Board held in the office of the Governor at 11.00 a. m. on Friday, July 23,

PRESENT:

Mr. Hamlin, presiding, Mr. Williams

Mr. Delano Mr. Harding

Mr. Willis, Secretary.

The minutes of the meeting of the Board of Wednesday, July 21, were read and approved.

The minutes of the meeting of the Executive Committee of Thursday, July 22, were read and approved, and the action of the Committee ratified.

On motion applications for the surrender of stock in Federal reserve banks, duly recommended by Mr. Harding, were approved as follows:

Kalispell National Bank	Kalispell, Montana
First National Bank	Alamogordo, N. Mexico

On motion applications for power to exercise the functions of trustee, executor, etc., duly recommended by the Committee on State Banks, were approved as follows:

First National Bank	Rochester, Mich.
First National Bank	Colorado Springs, Colo.
National Exchange Bank	Steubenville, Ohio.
Yale National Bank	New Haven, Conn.
Citizens National Bank	Urbana, Ohio.

First National Bank	Cheyenne, Wyo.
National Bank of Commerce	Fort Worth, Texas
Southwork National Bank	Philadelphia, Pa.
Northampton National Bank	Northampton, Mass.
National Bank of Chester Co.,	Chester, Pa.
First National Bank	Lansdale, Pa.
Annaville National Bank	Annaville, Pa.
Jenkentown National Bank	Jenkentown, Pa.
First National Bank	Newville, Pa.
First National Bank	Lyons, Nebraska
First National Bank	Huntington, Pa.
Merchants National Bank	Newark, N. J.
Essex County Nat'l. Bank	Newark, N. J.
American Exchange Nat'l Bank	New York
Irving National Bank	New York
First National Bank	Trenton, N. J.
First National Bank	Hoboken, N. J.
First National Bank	Johnstown, Pa.
First National Bank	Fonda, Iowa
Franklin National Bank	Franklin, Ind.

On motion, upon the recommendation of the Committee on State Banks, the following applications of national banks to exercise the functions of executor, trustee, etc., were placed on the suspended list:

First National Bank	Bucyrus, O.
Mt. Sterling National Bank	Mt. Sterling, Ky.
Collen County Nat'l Bank	McKinney, Tex.
First National Bank	Galveston, Tex.
First National Bank	Idaho Springs, Colo.
Central National Bank	St. Petersburg, Fla.
Greylock National Bank	Adams, Mass.
First National Bank	Ft. Collins, Colo.
First National Bank	Boone, Iowa.
State National Bank	Bloomington, Ia.
First National Bank	Montrose, Pa.
First National Bank	Seattle, Wash.
Seattle National Bank	Seattle, Wash.
Exchange National	Seattle, Wash.
First National Bank	Hoquiam, Wash.



First National Bank  
 Second National Bank  
 National State Bank  
 First National Bank

Tuskaloosa, Ala.  
 Mechanicsburg, Pa.  
 Camden, N. J.  
 Humboldt, Ia.

On motion applications of national banks to exercise the functions of trustee, executor, etc., were declined as follows:

National Bank of  
 First National Bank  
 American National Bank

Waupun, Wis.  
 Wichita Falls, Tex.  
 Nashville, Tenn.

After discussion it was voted that the general letter recently sent out by the Board with reference to its policy on the exercise of trustee and executor powers, should not be printed in the forthcoming number of the Federal Reserve Bulletin.

On motion a letter to Mr. F. G. Lee, president of the Broadway Trust Company, describing the Board's policy with respect to the establishment of branches by State member banks in the future, was approved and ordered transmitted. The Secretary was directed to send a similar letter to the Old Colony Trust Company of Boston, although it was understood that under existing law, no further branches can be established by the Old Colony Trust Company. It was informally understood that in future cases where State banks are admitted to the Federal reserve system, the same con-

ditions shall be laid down in every instance.

The Secretary of the Board presented an opinion of Counsel with reference to the placing of revenue stamps upon acceptances, and, on motion, the opinion was approved with the instruction that it should not be published. The Secretary was further instructed to write to Federal Reserve Agent Ingle, who had originally raised the point, and say to him that, in the judgment of the Board, he ought not to discount paper unless such paper corresponds to all the requirements of law. Mr. Harding was appointed a special committee to consult with the Commissioner of Internal Revenue and to ascertain from him his views with respect to the conditions under which paper presented for rediscount at Federal reserve banks must bear revenue stamps in order to comply with the letter of the law.

The Secretary of the Board presented an opinion of Counsel with reference to the interpretation of the Clayton Act as applied to the simultaneous membership of directors upon two boards, the same being in connection with the inquiry of the Old National Bank of Spokane, Washington, which had been referred to the Board. It was directed that the opinion be published in the Federal Reserve Bulletin if



Counsel sees no objection.

Similar action was taken with respect to a letter addressed to Arthur Adams, Esq., on condition that the matter be brought to the attention of Counsel for an expression of his opinion.

Mr. Harding having received an explanation from Governor McCord of Atlanta relative to the discounting of demand paper, and the Secretary having read a communication from Governor McCord, the letter was noted and ordered filed.

Letters received by Mr. Harding regarding the controversy between the Dallas and Kansas City Reserve Banks, were read, and, on motion, it was voted that the Secretary prepare a letter to the two banks following the general lines of a draft furnished by Mr. Delano, and calling upon them to terminate the controversy at as early a date as practicable.

The Secretary was also directed to obtain rates for the transportation of gold certificates between Dallas, Kansas City and New Orleans.

The Committee on State Banks recommended the admission of the Fidelity Trust Company of Kansas City, Mo. After discussion the recommendation was referred back to

the Committee.

// The Board discussed the draft of a letter to Governor Strong of New York with reference to the question of lines of acceptance credit. No action was taken. //

Mr. Delano and Mr. Harding for the Committee on Staff, recommended that the salary of Deputy Federal Reserve Agent Claud Gatch recommended by the Federal Reserve Bank of San Francisco, namely, \$2,500 per annum, additional to his salary as examiner, be approved. The recommendation was carried.

On motion applications for the surrender and allotment of stock in Federal reserve banks, were approved as follows:

#### KANSAS CITY AND DALLAS

		Shares.
Oklahoma National Bank	Chickasha, Okla.	75
Keota National Bank	Keota, Okla.	18
Southern National Bank	Wynnewood, Okla.	48

#### PHILADELPHIA AND NEW YORK

First National Bank	Eatontown, N. J.	20
Nat'l. Freehold Banking Co.	Freehold, N. J.	60
Peoples National Bank	Keyport, N. J.	36
Second National Bank	Phillipsburg, N. J.	90

On motion at 1.40 p. m. the Board adjourned to meet at 3.00 p. m. this day.

APPROVED:

*C. Stankin*

Chairman.

*H. Parker Willis*

Secretary.