

At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, July 28, at 11.00 a. m.

## PRESENT:

Mr. Hamlin, presiding      Mr. Williams

Mr. Delano                      Mr. Harding

Mr. Willis, Secretary.

The minutes of the Board meetings of the morning and afternoon of Friday, July 23, were read and approved.

The question of granting executor and trustee powers to banks in New Jersey which had been transferred from the Third to the Second District, was taken up, and the Secretary of the Board presented correspondence with Messrs. Jay and Rhoads. On motion the documents were referred to Counsel.

On motion applications for the allotment and surrender of stock duly recommended by Mr. Harding, were approved as follows:

## DALLAS AND KANSAS CITY.

		Shares.
First National Bank	Holdenville, Okla.	33
First National Bank	Hobart, Okla.	18
State National Bank	Hollis, Okla.	15
First National Bank	Quinton, Okla.	18

		Shares.
Beckham County National Bank	Sayre, Okla.	17
First National Bank	Sentinel, Okla.	17
Farmers National Bank	Holdenville, Okla.	17

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

DISTRICT No. 2.

		Shares.
First National Bank	Whitesville, N. Y.	1
First National Bank	Sparkill, N. Y.	1

DISTRICT No. 4.

Whitley National Bank	Corbin, Ky.	1
First National Bank	Ottawa, Ohio	1
Ravenna National Bank	Ravenna, Ohio	1

DISTRICT No. 5.

First National Bank	Keyser, W. Va.	2
First National Bank	Salem, W. Va.	3
First National Bank	Appalachia, Va.	3
First National Bank	Coeburn, Va.	2
Fourth National Bank	Greenville, S.C.	3
American National Bank	Wilmington, N.C.	11
First National Bank	Monroe, N. C.	2

DISTRICT No. 6.

Citizens National Bank	Dickson, Tenn.	1
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DISTRICT No. 7.

First National Bank	Mapleton, Iowa.	4
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DISTRICT No. 9.

Windom National Bank	Windom, Minn.	3
First National Bank	Forsyth, Mont.	3

DISTRICT No. 10.

Farmers National Bank	Salina, Kans.	3
First National Bank	Scribner, Nebr.	2

DISTRICT No. 11.

	Shares.
First National Bank	Nixon, Texas 3
Farmers National Bank	Rockwall, Texas 16
First National Bank	Mansfield, Tex. 1

DISTRICT No. 12.

Lumbermens National Bank	Portland, Oregon 57
Reedley National Bank	Reedley, Cal. 2
Red Bluff National Bank	Red Bluff, Cal. 2
First National Bank	El Centro, Cal. 21
Copper National Bank of	East Ely, Nev. 18

## Applications for Original Stock.

DISTRICT No. 6.

Ben Hill National Bank	Fitzgerald, Ga. 30
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DISTRICT No. 7.

First National Bank	Richmond, Mich. 12
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DISTRICT No. 9.

First National Bank	Mobridge, S.Dak. 15
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DISTRICT No. 10.

First National Bank	Rosston, Okla. 9
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On motion applications for the surrender of stock in Federal reserve banks, duly recommended by Mr. Harding, were approved as follows:

DISTRICT No. 5.

	Shares.
Manchester National Bank	Richmond, Va. 5

DISTRICT No. 6.

Third National Bank	Fitzgerald, Ga. 34
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DISTRICT No. 7.

		Shares.
First National Bank	Nora Springs, Iowa	24

DISTRICT No. 8.

First National Bank	Perry, Ark.	4
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The Governor of the Board reported conditions relative to the entrance of the Old Colony Trust Company of Boston into the Federal reserve system, and the Secretary was directed to make certain that the Company had been duly advised of the Board's attitude as to branches to be established by State bank members.

The Secretary of the Board presented correspondence with Federal Reserve Agent Jay relative to the admission of the Hudson Trust Company to the system, stating that he had advised Mr. Jay by telephone to proceed as rapidly as possible in getting all the facts before the Board.

Upon recommendation of the Division of Statistics, Mr. A. E. Smith, already on the staff of the Board on probationary appointment, was given a permanent appointment at a salary of \$900 per annum.

On motion Mr. W. F. Cox, recommended by the Committee on Staff for appointment in the office of the Counsel of the Board as stenographer, was given a probationary appointment under the usual conditions, his salary to be at

the rate of \$1200 per annum.

The Secretary of the Board presented correspondence with the Broadway Trust Company relative to its admission to the system, and was instructed to inquire of the Broadway Trust Company whether the letter recently sent to it with respect to the Board's attitude on the establishment of branches sufficiently covered the points on which inquiry was made, and if a negative reply should be received, to say that the Board expects to adhere to the same general policy with regard to branches described by the Broadway Trust Company in its letter of July 22.

On motion a draft of a reply addressed to the Bank of New York with reference to an inquiry put by that institution relative to the cost of examinations under the new system, which had been prepared by the Comptroller of the Currency, was referred to Mr. Delano for revision in conjunction with the Comptroller.

A letter from Federal Reserve Agent Martin relative to the condition of the Carbondale National Bank, was read to the Board, and, on motion, referred to the Comptroller of the Currency.

The Secretary of the Board reported the transfer

of the Gold Settlement Fund from his custody back to that of Mr. Sherman Allen, and also reported the facts as to an audit of the Gold Settlement Fund conducted by a representative of the Federal reserve banks bringing an introduction from Governor Strong of New York, which had been carried out on July 26.

“ A draft of a letter to Governor Strong relative to the granting of lines of acceptance credit, was read and discussed. On motion it was referred to Mr. Harding for report. ”

The question of a petition recently filed by Mr. H. R. Fowler was taken up for consideration, and, on motion, it was voted that the Governor, in consultation with Counsel, should write a suitable letter to Mr. Fowler, expressing the general position of the Board with reference to the matter presented in the petition.

Mr. Delano stated to the Board the substance of a recent investigation conducted by himself into the best methods to be pursued in handling the large current balances of international trade in favor of the United States. The said investigation had necessitated a visit to Boston and elsewhere, and, on motion, it was voted that the cost of the trip be borne by the Board.

On motion a report of Chief of Division Broderick relative to the accounts of Federal Reserve Agent Jay of New York, was referred to the Committee on Audit and Examination.

The Secretary of the Board reported the cost of shipping gold certificates between Dallas, Kansas City and St. Louis, giving the facts as reported to him by officers of the Treasury of the United States. The matter was received and ordered filed with the Dallas - Kansas City papers.

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

\$5 denomination	\$1,000,000
10 "	1,000,000

A draft of a letter to Director Ralph of the Bureau of Engraving and Printing, relative to the probable amount of paper needed for Federal reserve notes, was read, and, on motion, ordered transmitted.

On motion the opinion of Counsel relative to the modification of the proposed by-laws for the New Orleans Branch of the Federal Reserve Bank of Atlanta, was approved

and ordered transmitted to Federal Reserve Agent Wellborn.

The Secretary of the Board presented a letter from Federal Reserve Agent Curtiss of Boston relative to the proposed form of certification to be made by the Bank Commissioner of Massachusetts in connection with the admission of State banks. He was directed to say to Mr. Curtiss that the suggestion contained in his letter of July 20 is satisfactory to the Board.

The Secretary of the Board presented a communication from the Comptroller of the Currency relative to the furnishing of forms concerning condition reports, and it was informally agreed that the supply needed by Mr. Perrin, who had raised the point, should be furnished by the Comptroller, and that the Secretary of the Board should ascertain from each Federal reserve agent whether extra copies are wanted by him, and, if so, how many.

A letter from Federal Reserve Agent Jay respecting the purchase of municipal warrants certified by responsible trust companies or banks, without obtaining copy of the opinion of counsel thereon, etc., was read, and the Secretary ordered to inform Mr. Jay that the procedure proposed by him would be satisfactory.

In answer to a letter from Governor McDougal of Chicago asking authority to take all or any part of any issue of municipal bonds up to \$100,000, the Secretary was directed to state that the Board felt that each case must be dealt with on its own merits.

The Secretary of the Board presented a letter from Deputy Federal Reserve Agent McCaleb relative to methods of redeeming Federal reserve notes. On motion the letter was referred to the Counsel of the Board.

A letter from the State Bank Commissioner of Kansas regarding the question of modification of the present postal regulations in such a way as to be most convenient for depository banks, was referred to Mr. Delano as a special committee.

The Secretary of the Board presented a letter relating to the question of purchasing the compilation of the National Bank Act and the Federal Reserve Act recently issued by the Comptroller of the Currency. On motion the subject was referred to the Executive Committee for report.

On motion an opinion of Counsel of the Federal Reserve Board relative to the interpretation of the Clayton Act, and embodying the substance of recent letters on the same subject, was approved and its publication authorized.

The Secretary was instructed to write Arthur Adams, Esq., accordingly.

A letter from Governor Wold of Minneapolis regarding the reserves of State member banks, was considered, and, on motion, referred to Counsel.

Correspondence between Governor Seay of Richmond and the Palmetto National Bank of Columbia, S. C., was ordered referred to the Executive Committee.

The Secretary of the Board submitted material relating to expenses of Federal reserve banks, proposed for publication in the Federal Reserve Bulletin. The essential parts of the matter were ordered read, and, on motion, approved.

The Secretary of the Board called attention to the letter of Governor Seay of Richmond relative to the method now in vogue at the Federal Reserve Bank of Richmond for placing commercial paper with the Federal reserve agent and withdrawing it when necessary. The letter was noted and ordered filed.

On motion at 1.15 the Board adjourned to meet on Thursday, July 29, at 11.00 a. m.

APPROVED:

W. Parker Willis  
Secretary.

C. Stambin  
Chairman.