

At a meeting of the Executive Committee of the Federal Reserve Board, held in the office of the Board on Friday, August 6, at 11:00 a. m.

PRESENT:

Mr. Hamlin, presiding Mr. Miller
Mr. Harding Mr. Willis, Secretary.

The minutes of the Board's meeting of August 5 were read and given informal approval.

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

DISTRICT No. 3.

	Shares.
Downingtown National Bank East Dowingtown, Pa.	15

DISTRICT No. 4.

First National Bank Brookville, Ky.	3
City National Bank Canton, Ohio.	12
First National Bank Ironton, Ohio.	1
First National Bank Stockport, Ohio.	1

DISTRICT No. 5.

First National Bank Rocky Mount, Va.	3
Peoples National Bank Warrenton, Va.	2
Front Royal National Bank Front Royal, Va.	3

DISTRICT No. 6.

De Soto National Bank Arcadia, Fla.	22
First National Bank Colquitt, Ga.	1

DISTRICT No. 7.

First National Bank	Inwood, Iowa.	1
First National Bank	Greencastle, Ind.	1

DISTRICT No. 8.

National Deposit Bank	Owensboro, Ky.	4
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DISTRICT No. 9.

First National Bank	Jackson, Minn.	3
First National Bank	Thief River Falls, Minn.	9
First National Bank	Blair, Wis.	3

DISTRICT No. 10.

Colorado Springs Nat'l Bank	Colorado Springs, Colo.	6
First National Bank	Holdenville, Okla.	15
First National Bank	Cashion, Okla.	21

DISTRICT No. 11.

First National Bank	Winfield, Texas.	1
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DISTRICT No. 2.

Lake Placid National Bank	Lake Placid, N. Y.	10
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DISTRICT No. 5.

Citizens National Bank	Hendersonville, N. C.	15
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On motion the Board approved applications for surrender of stock in Federal reserve banks, duly recommended by Mr. Harding as follows:

DALLAS AND KANSAS CITY.

National Bank of Commerce Frederick, Okla 54 shares.

NEW YORK AND PHILADELPHIA.

Bernardsville National Bank Bernardsville, N.J. 30 shares.

On recommendation of the Committee on State banks the Board approved applications for general executor and trustee powers as follows:

National City Bank, Chicago, Ill.
 First National Bank, Jewell, Kansas.
 Commercial National Bank, Wahpeton, Iowa.
 First National Bank, Stanton, Iowa.
 First National Bank, Lincoln, Wyo.
 Mt. Sterling National Bank, Mt. Sterling, Ky.

On recommendation of the Committee on State banks the Board placed the following applications for trustee and executive powers on the suspended list:

Farmers National Bank, Goodland, Kansas.
 Greylock National Bank, Adams, Mass.
 First National Bank, Evanston, Wyo.
 National Bank of Commerce, Shawnee, Okla.
 First National Bank, Casey, Ill.

On motion, upon recommendation of the Committee on State banks the Board voted to reject the following applications:

American National Bank, Tulsa, Okla.
 National Bank of Commerce, Pittsburg, Kas.

On motion, the following special grants were made. To act as administrator:

First National Bank, Bonham, Texas.
City National Bank, Colorado, Texas.

To act as trustee in certain special cases mentioned in its letter in which trusts have already been undertaken.

Central National Bank, Saint Petersburg, Fla.

Bank of California, N. B. A., San Francisco Cal. under special conditions created by the several states in which its branches are located.

The opinion of counsel relating to the approval of applications for executive and trustee powers in the ninth Federal Reserve District was approved and ordered to go into effect.

On motion an application from the Federal Reserve Bank of New York for an issue of Federal reserve notes amounting to \$2,960,000 was approved as follows:

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

On motion a letter received from Federal Reserve Agent Perrin relative to the rebate on discounts on prepaid

notes in the San Francisco district was referred to a special committee consisting of Mr. Harding, Mr. Miller and Mr. Williams.

An opinion of the counsel of the Board relative to the question of farm land loans by national banks which are already holding a considerable amount of real estate, was referred back to counsel with suggestion that a further ruling upon the comparative merits of two cases, in one of which cases the bank has taken on excess loans to protect itself after making its authorized loans and in the other of which the authorized loans are first made and the additional loans subsequently taken.

An opinion of counsel relative to the form in which Federal reserve notes are to be redeemed at the option of the bank presenting them was approved and publication thereof authorized.

The Secretary of the Board presented a proposed draft of a letter to Mr. T. A. Hague, referred by Federal Reserve Agent Perrin at the request of the Board. The Secretary was directed to put the matter into letter form and submit it to Mr. Harding and Mr. Miller for authority to transmit it.

Letters and papers relating to the exchange of 2% for 3% bonds in favor of the Federal Reserve Bank at Philadelphia were referred to the Board and on motion the letter of Mr. Rhoads and accompanying papers were ordered transmitted to Assistant Secretary Malburn with request for his views on the subject.

The Secretary of the Board was instructed to cable Mr. Delano at Panama giving him a brief statement about the general situation of the Board's business and conveying good wishes.

On motion it was voted that copies of the weekly gold settlement report be sent to each Federal reserve bank on the settling day of each week.

The question of amending Regulation "O" on Federal reserve notes, was ordered referred to the Committee on Issue and Redemption to be taken up with the Treasury authorities.

A letter from the Palmer Bond & Mortgage Company relative to the interpretation of Circular 7 was referred to Executive Committee and Counsel.

On motion the Board ordered purchased one

hundred (100) copies of paper bound National Bank Act for use in distributing to member banks.

On motion the Board authorized the Federal Reserve Bank of Philadelphia to continue holding \$25,000 of City of Springfield, Missouri warrants.

On motion it was voted that paper and memoranda relating to the method of reporting 5% gold redemption fund held in the Treasury Department by Federal reserve banks should be referred to a special committee for study, said committee to consist of Messrs. Harding, Miller and Williams.

On motion it was voted that the communication from Federal Reserve Agent at Richmond, relative to the open market purchases of paper be circulated among members of the Board for consideration.

A communication from Federal Reserve Agent Miller of Kansas City relative to active competition for business on his part, was ordered answered by the Secretary with the statement, that the general idea of the plan submitted by him was acceptable but that the Board thought it wise to use a reasonable amount of caution and diplomacy in carrying the scheme into operation.

The Secretary of the Board presented correspond-

ence from the Federal Reserve Bank of Dallas relative to the denominations of Federal reserve notes to be furnished that bank. On motion it was voted to authorize the printing for the Federal Reserve Bank of Dallas of notes, chiefly in denominations of 5's and 10's, as requested by it.

The Secretary of the Board having presented a communication with reference to the question of small silver certificates for the Federal reserve banks, it was voted to refer the situation to Secretary McAdoo for an expression of his opinion.

On motion Mr. John De La Mater was authorized to join Chief Examiner Broderick at Cleveland to assist in the work of bank examination at that place.

The Secretary of the Board was authorized to purchase such clippings as he thought best relating to expense accounts of the Federal reserve banks.

On motion the Secretary was authorized to reduce the staff of messengers by one member, the name of such member to be determined by the Committee on Staff.

The Secretary having presented memorandum from Deputy Comptroller of the Currency Kane, relative to

the determination of the eligibility of mutilated Federal reserve notes for redemption, it was voted to refer the matter to counsel.

A letter from Federal Reserve Agent Ingle with attached papers relative to the redemption of national bank notes at Federal reserve banks was referred to Mr. Harding for such action as he might deem best.

On motion it was voted that the Secretary of the Board send a copy of a tentative letter to Governor Strong of the Federal Reserve Bank of New York, relative to lines of acceptance credit, to Mr. McAdoo and Mr. Warburg accompanying same with a copy of the opinion of counsel relating thereto, a copy of the Board's letter of July 21st on the same subject, as well as a copy of Mr. Warburg's letter to the Governor of the Board.

On motion it was voted that when permits for additional powers, under Section 11 (K) are granted to banks they shall be issued as separate permits, bearing date as of the time when additional powers were granted.

On motion at 1:45 p. m. the Committee
adjourned to meet subject to the call of the Chair-
man.

H. Parker Willis

Secretary.

APPROVED:

C. Hamilton

Chairman.