

A regular meeting of the Federal Reserve Board was held in the office of the Board at 11 a. m. on Friday, December 29.

PRESENT:

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

Minutes were read and approved as follows:

- Meeting of the Board on December 27.
- Meeting of the Executive Committee on December 28.

The actions taken by the Executive Committee as set forth in these minutes were ratified.

A letter from Governor Rhoads of Philadelphia transmitting a letter from Governor Seay of Richmond, was referred to the Committee on Law.

A letter from Mr. Heinrich Charles relative to the appointment of the Bank of England as a foreign agent, was laid on the table.

A report of Mr. Delano commenting upon the report of the Division of Examination on the examination of the Federal Reserve Bank of St. Louis, was ordered circulated.

A letter from the Pompeian Oil Company relative to dealings in foreign exchange, was referred to Mr. Warburg.

A letter from Federal Reserve Agent Bosworth inquiring as to action on sundry applications under the Clayton Act, was referred back to the Secretary of the Board for reply.

On motion the action of the Board in approving the release of \$1,000,000 in Federal reserve notes to the Federal Reserve Agent at Chicago, was approved.

The special orders for the day being taken up, it was, on motion, voted to advise Governor Wold of Minneapolis with reference to the liability for dividends as between the Banks of Minneapolis and Chicago that after a consideration of the earning position of both banks, it is apparent that there is but little difference in the two plans suggested, and while the acceptance of either would be satisfactory to the Board, nevertheless it is the opinion that the plan suggested by Governor McDougal appears to be a more equitable one, and a reasonable settlement of the point in question.

It was informally agreed that Mr. Hamlin prepare and transmit a letter authorizing the settlement of the dividend liability as above indicated.

The question of the Board's policy with respect to 2% bonds, set as a special order for the day, being taken up, it

was, on motion, voted to place the matter in the hands of the Executive Committee with the understanding that \$20,000,000 be fixed as the figure covering the prospective purchases of bonds, the Committee being given power to act.

The minutes of a meeting of the Committee on Member and State Banks held on December 28, having been read, the action therein set forth was approved and ratified as follows:

The Committee recommended approval of the application for membership in the Federal Reserve System made by the Bank of Montclair, Montclair, N. J., upon the conditions set forth in the memorandum attached thereto.

The Committee also recommended for approval the memorandum submitted with reference to the proposed application of the Commonwealth Trust Company of Boston.

The following applications for fiduciary powers were approved:

TRUSTEE, EXECUTOR, ADMINISTRATOR, and REGISTRAR
OF STOCKS AND BONDS: Dist.No.

- | | | |
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| 1. | Tootle-Lemon National Bank, St. Joseph, Mo. | 10 |
| 2. | Leavitt and Johnson National Bank, Waterloo, Ia. | 7 |

TRUSTEE, EXECUTOR, AND ADMINISTRATOR:

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| 1. | First National Bank, Butte, Nebr. | 10 |
| 2. | First National Bank, Coon Rapids, Ia. | 7 |
| 3. | First National Bank, Muskogee, Okla. | 10 |
| 4. | American National Bank, Spearfish, S. D. | 9 |
| 5. | National Bank of Mattoon, Mattoon, Ill. | 7 |

TRUSTEE AND REGISTRAR OF STOCKS AND BONDS:

Dist.No.

- | | | |
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| 1. | First National Bank, Bucyrus, Ohio, | 4 |
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The following applications for fiduciary powers were held pending the receipt of report of subsequent examination:

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| 1. | Merchants National Bank, Muncie, Ind. | 7 |
| 2. | First National Bank, Springfield, Ohio, | 4 |
| 3. | First National Bank, Waverly, Iowa, | 7 |

The following applications for fiduciary powers were refused:

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| 1. | Boone National Bank, Boone, Iowa, | 7 |
| 2. | First-Second National Bank, Akron, Ohio, | 4 |
| 3. | National State Bank, Camden, N. J. | 3 |
| 4. | Fairfield National Bank, Fairfield, Iowa, | 7 |
| 5. | First National Bank, Baraboo, Wis. | 7 |
| 6. | First National Bank, Swayzee, Ind. | 7 |

The Committee also recommended that where pending applications for fiduciary powers have been refused on several occasions, and considerable time has elapsed since the date of the original applications, the same may be filed permanently and not subject to further consideration until such time as the banks might renew their applications.

It was informally agreed that the papers relative to the Commonwealth Trust Company's application be transferred to Mr. Hamlin, with the understanding that he write

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a letter to Governor Aiken regarding the matter.

On motion, permission previously granted to the National State Bank of Elizabeth, N. J., for the exercise of certain fiduciary powers, was revoked.

The Committee on Staff reported with reference to certain changes in the Board's staff, and, on motion, the following recommendations were approved:

1. Transfer of Mr. Alfred L. Laning from office of Honorable Charles S. Hamlin to the vacancy in the grade of Statistical Clerk existing in the Division of Statistics.
2. Transfer of Mr. Paul C. Moran to the office of Mr. Hamlin to the position of stenographer.
3. Certification from the Board's list of eligibles at \$1200 per annum to fill the vacancy in the office of the Secretary caused by the transfer of Mr. Moran.

On motion at 12 noon the Board adjourned.

H. Parker Willis
Secretary

APPROVED:

[Signature]
Chairman.