

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, July 1, 1940, at 11:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Davis
Mr. Draper

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

The action stated with respect to each of the matters hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on June 29, 1940, were approved unanimously.

Memorandum dated July 1, 1940, from Mr. Davis to Mr. Morrill stating that he desired to appoint Robert K. Thompson, General Assistant in the Office of the Secretary, as Administrative Assistant to Mr. Davis as a member of the Advisory Commission to the Council of National Defense, with salary at the rate of \$3,500 per annum, effective as of July 1, 1940, and requesting that Mr. Thompson be placed on the Board's payroll at that rate with the understanding that the Board will be reimbursed by the Advisory Commission for any salary paid to Mr. Thompson in his new position, that effective as of the date the payroll of the Advisory Commission is set up Mr. Thompson

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will be granted by the Board a leave of absence without pay until January 1, 1941, in accordance with the decision reached by the Board on June 14, 1940, and that during his leave of absence without pay Mr. Thompson will continue his own contributions to the Retirement System and will also pay the Board's contributions.

The placing of Mr. Thompson on the payroll in accordance with Mr. Davis' request was approved unanimously.

Letter to "The First National Bank of Bunker Hill", Bunker Hill, Illinois, reading as follows:

"This refers to the resolution adopted on February 27, 1940, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

"The Board, understanding that your bank has never actually accepted or undertaken the exercise of any trust has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is enclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal

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"Reserve Act, except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

Letter to "The Commercial National Bank in Muskogee", Muskogee, Oklahoma, reading as follows:

"This refers to the resolution adopted on February 7, 1940, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

"The Board, understanding that your bank has been discharged or otherwise properly relieved in accordance with the law of all of its duties as fiduciary, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is enclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal Reserve Act except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

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Thereupon the meeting adjourned.

Charles Morier
Secretary.

Approved:

W. Steeles
Chairman.