

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:10 a. m., on Friday, July 7,

PRESENT:

Mr. Hamlin, presiding Mr. Williams

Mr. Delano Mr. Warburg

Mr. Harding

Mr. Allen, Secretary.

The minutes of the meeting of July 5, and the minutes of the Executive Committee meeting on July 6, were read and approved.

There were no further changes in discount rates.

Upon favorable report of the Committee on State and Member Banks, signed by Mr. Harding and Mr. Warburg, the application of the Corn Exchange Bank of New York for membership in the Federal reserve system with a letter to that bank, was approved.

The informal application of the Am-

merican Trust and Savings Bank of Birmingham, Alabama, and a telegraphic report of examination made by officers of the Federal Reserve Bank of Atlanta, was received and upon recommendation of the Committee on State and Member Banks this application was referred to a special committee consisting of Mr. Harding and Mr. Delano with power to act when the formal application is at hand.

Mr. Warburg, for the Committee on Operation of the Philadelphia Bank, reported the result of his investigations in connection with the election of a successor as Class "C" director at the bank in the place of Mr. Vance C. McCormick resigned. After discussion the election to fill the vacancy was made a special order for the meeting on Tuesday, July 11th, Mr. Warburg to have the opportunity of recording his vote.

An inquiry from Chief National Bank

(Examiner, James D. Brennan, as to the forwarding by National banks to Federal reserve banks of duplicates of the report of earnings and dividends sent to the Comptroller of the Currency was read and the Secretary directed to state that Mr. Brennan's interpretation, as contained in his letter of June 26th was correct. In this connection it was voted that should any National banks refuse to comply with the request placed in the Circular of June 15, 1916, of the Comptroller of the Currency at the request of the Federal Reserve Board, the Federal reserve banks should be advised that they may call on such banks as do refuse for a report of earnings and dividends.

A letter to Governor Hamlin from Mr. Daniel G. Wing, President of the First National Bank of Boston, Massachusetts, was presented in which the inquiry was made,

whether the authorization to accept up to 100% given to this bank by the Federal Reserve Board covered increases of capital and surplus. After discussion in which Assistant Counsel participated, the Board voted to grant authority to the First National Bank to accept up to 100% of its present capital and surplus of \$15,000,000, and to refer the question raised to Counsel for further consideration. On this motion the Board voted three to two, Mr Harding stating in explanation of his vote against the motion that he believed the bank already had power to accept up to 100% of its increased capital and surplus.

Upon the statement, that Mr. Ray M. Gidney would be absent from Washington in connection with bank examinations from July 8th to July 17th, Mr. Gidney was authorized to turn over to Mr. Sherman Allen the combination which he holds to the safe in which the cer-

certificates evidencing the Gold Settlement Fund are held, together with his part in the joint custody of said certificates.

A letter from the Cashier of the Federal Reserve Bank of New York relative to the practice of that bank as to cashing checks calling for gold bullion, was referred to the Committee on Relations with the Treasury Department with power, that Committee to take up the matter with the Treasury Department.

Applications for stock in Federal reserve banks, duly recommended by Mr. Harding as Chairman of the Committee on Member and State Banks, were approved as follows:

DISTRICT No.	Shares.
DISTRICT No. 2.	
Kerhonkson Nat'l Bank	Kerhonkson, New York 12
Athens National Bank	Athens, N. Y. 8
DISTRICT No. 7.	
First National Bank	Whiting, Iowa 15
DISTRICT No. 8.	
Farmers National Bank	Newport, Ark. 38

## DISTRICT No. 9. Shares.

National Bank of	Gary, S. Dak.	20
------------------	---------------	----

## DISTRICT No. 10.

First National Bank	Basin, Wyo.	17
First National Bank	Lovell, Wyo.	18

Applications for additional stock in Federal reserve banks, duly recommended by Mr. Harding, as Chairman of the Committee on Member and State Banks, were approved as follows:

## DISTRICT No. 7. Shares.

First National Bank	Villa Grove, Ill.	1
First National Bank	Ogden, Ill.	1
First National Bank	Peoria, Ill.	15
First National Bank	Divernon, Ill.	1
First National Bank	Crescent City, Ill.	2
First National Bank	Beason, Ill.	1
Atlas Exchange Nat'l	Chicago, Ill.	13
Washington Park Nat'l	Chicago, Ill.	6
Elgin National Bank	Elgin, Ill.	3
Yorkville Nat'l Bank	Yorkville, Ill.	3
First National Bank	Roseville, Ill.	1
Central National Bank	Peoria, Ill.	6
Newman National Bank	Newman, Ill.	3
First National Bank	Downers Grove, Ill.	1
First National Bank of Gibson	Gibson City, Ill.	2
First National Bank	Chrisman, Ill.	1
Taylorville Nat'l	Taylorville, Ill.	1
Whiteland National	Whiteland, Ind.	1
Farmers National Bank	Trafalgar, Ind.	2

## DISTRICT No. 7 (Continued)

Shares.

Farmers National Bank	Sheridan, Ind.	2
First National Bank	Mishawaka, Ind.	8
City National Bank	Logansport, Ind.	2
First National Bank	Hartsville, Ind.	1
First National Bank	Freeland Park, Ind.	1
First National Bank	Boswell, Ind.	1
National Brookville	Brookville, Ind.	3
First National Bank	Fremont, Ind.	1
First National Bank	Batesville, Ind.	1
First National Bank	Cloverdale, Ind.	1
Citizens National	Greencastle, Ind.	2
Peoples National Bank	Waukon, Iowa	3
First National Bank	Ruthven, Iowa	1
Clark National Bank	Newton, Iowa	2
Milford Nat'l Bank	Milford, Iowa	2
Security Nat'l Bank	Mason City, Iowa	6
First National Bank	Humboldt, Iowa	1
First National Bank	Inwood, Iowa	1
First National Bank	Klemme, Iowa	1
First National Bank	Rock Valley, Iowa	1
First National Bank	Williams, Iowa	3
First National Bank	Riceville, Iowa	1
Fayette County Nat'l	West Union, Iowa	4
First National Bank	Maquoketa, Iowa	15
First National Bank	Northwood, Iowa	1
American Nat'l Bank	Benton Harbor, Mich.	3
First National Bank	Richland Center, Wis.	1
First National Bank	Pennimore, Wis.	2

Applications for the surrender of stock  
in Federal reserve banks duly recommended by Mr.  
Harding as Chairman of the Committee on Member  
and State Banks were approved as follows:

DISTRICT No. 2. Shares.

Citizens Nat'l Bank	Patchogue, N. Y.	48
---------------------	------------------	----

## DISTRICT No. 7.

Citizens German Nat'l	Hammond, Ind.	6
First National Bank	Tama, Iowa	15
First National Bank	Viroqua, Wis.	6
First National Bank	Allegan, Mich.	3
First National Bank	La Forte City, Iowa	6
First National Bank	Kankakee, Ill.	195

## DISTRICT No. 10.

Schuyler Nat'l Bank	Schuyler, Nebr.	39
---------------------	-----------------	----

## DISTRICT No. 12.

First National Bank	Riverside, Cal.	222
First National Bank	White Salmon, Washington	17

Mr. Williams read a letter from Mr.

Daniel G. Wing of Boston, in which objection was raised to supplying the report of examination of the First National Bank to the Federal Reserve Bank of Boston. Upon discussion it was agreed that where duplicates of examination reports of member banks are supplied to the Federal reserve banks these reports are un-



nderstood to be for the use of the Federal Reserve Agent and the Governor at the bank only and not for the examination of the banks directors or junior officers. In this connection it was also pointed out that if the copy of the report was not furnished for the use of the Federal Reserve Agent and the Governor of the Federal reserve bank it would be necessary for the Federal reserve bank to exercise its right to make an examination on its own account of the member bank.

Mr. Delano presented the request of the Comptroller of the Currency for the approval of the salary of Mr. Robert C. Houston, appointed a National Bank Examiner at a salary of \$2,400 as of July 5, 1916, and asked on behalf of the Committee on Audit and Examination for instructions. After discussion of the whole question of salaries for National bank examiners the approval of this particular sal-

Gary was referred back to the Committee on Audit and Examination with power to act upon it.

A letter from Mr. Warburg to Governor Hamlin, dated July 6, was read in connection with which there was submitted suggestions as to cooperation between the Federal Reserve Board and the Comptroller of the Currency in connection with obtaining figures as to condition of National banks and the interpretation thereof by a joint statistical department. There was discussion of the matter at the close of which the letter and memorandum were referred to the Committee of which Governor Hamlin is Chairman to which had been sent an earlier memorandum upon the same subject. Mr. Williams stated that he would today send to each member of the Board a copy of the last "call" upon National banks and requested that each member indicate thereon any suggestions which he might have for additional questions or suggestions that ]

any questions be omitted.

Governor Hamlin submitted a memorandum on the bill of Representative Hill of Connecticut as to the investment of savings deposits held by National banks and action thereon was postponed, it being agreed that Mr. Warburg should have permission to record his vote if not present.

It was agreed, at the suggestion of Governor Hamlin, that no important matter would be taken up by the Board in the absence of its members, without first conferring with them, and that no important meeting would be held during the summer without advice to absentees. This action was specifically stated not to cover matters ordinary business, or that of a routine character.

At 1:10 p. m. the Board adjourned to meet at 11:00 a. m., on Tuesday, July 11.

APPROVED:

W. H. Hamlin  
Chairman.

Shuman  
Secretary.