

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11.00 a. m. on Tuesday, July 20,

PRESENT:

Mr. Hamlin, presiding,	Mr. Williams
Mr. Delano	Mr. Harding
Mr. Willis, Secretary.	

The minutes of the preceding meetings were approved as follows:

Morning meeting of Wednesday, July 14
 Afternoon meeting of Wednesday, July 14
 Executive Committee meeting of Thursday, July 15.

On motion the action of the Executive Committee at the meeting of July 15 was approved.

On motion it was voted that the Governor should refer the recent petition of Mr. H. R. Fowler to the Attorney General of the United States, asking that the Attorney General give special attention to the apparent threat of violence contained in the latter part of the petition, informing the Board what action should be taken.

The special committee on cotton warehousing, Mr. Harding, chairman, reported regarding the recent cotton conference at New York as follows:

// Mr. Harding, Mr. Delano and Mr. Warburg met on

July 16 at the Federal Reserve Bank of New York and Governor Strong invited them and a few bankers to have a confidential preliminary talk about moving the coming cotton crop. There were present:

Mr. Woodward	Mr. Cleverly
Mr. Wiggin	Mr. Thorn
Mr. Alexander	Mr. Perkins
Mr. Hemphill	Mr. Norton
Mr. Frew	Mr. McGarrah.

The bankers seemed optimistic, saying that there need be no fear of their being unable to meet the situation directly without the assistance of the Federal reserve banks. They strongly approved the plan of the Board of encouraging legislation on the subject of warehouses and especially satisfactory supervision of the same. As to the matter of the price of cotton, the bankers all agreed that this could not be regulated by either the national or the Federal reserve banks, but that satisfactory and safe methods of warehousing and supervising the crop, together with the fact that the Cotton Exchange is open, will insure the sales, although, of course, the matter of the price will have to be fixed according to con-

ditions prevailing in the market at the time. They all agreed that the vital question is the facilitating of credits in this country for immediate or deferred shipments. Governor Strong said that the collapse in foreign exchange had already more or less interfered with contracts, and that the matter must be put in satisfactory shape so that foreign credits can be opened here to take care of all purchases made abroad.

On motion it was voted that a minute be entered to the effect that the Committee of the Board with Governor Hamlin considered the question of open market operations with the directors of the Federal Reserve Bank of New York during the time that the Committee was present in New York and discussed the probable effect of the issuance of such regulations. //

On motion the Old Colony Trust Company of Boston was admitted to membership in the Federal reserve system, subject to the conditions laid down in the report of the committee which examined its application.

On motion the Broadway Trust Company of New York was admitted to membership in the Federal reserve system, subject to conditions in the report of the committee examining the application.

On motion it was voted that in future no State bank or trust company should be admitted to the Federal reserve system except upon agreement that they undertake to submit the question of establishing any further branches to the Board, for its approval.

On motion the recommendation of Chief of Division Broderick approved by the Committee on State Banks relative to the method of examining into the condition of the Fruit-growers State Bank of Saugatuck, Michigan, was approved, and steps ordered taken in accordance therewith.

On motion proposed changes in procedure, to be used in passing upon applications of State banks, were approved as follows:

1. After approval by the Committee on Admission of State Banks, a letter or telegram, with the necessary instructions, shall be sent to the Federal reserve agent.

2. After receipt of an application from the Federal reserve agent, reports, digest and recommendation shall be submitted

- (a) to the Committee on Admission of State banks, for approval;

- (b) to Counsel, for approval as to legal form of application and as to the legality of suggested conditions;

- (c) to the Board for final approval.

On motion it was voted that each Federal reserve bank be requested to forward monthly reports of earnings and expenses as of the close of business on the last day of each month.

On motion it was voted that applications for surrender and allotment of stock in Federal reserve banks, growing out of redistricting operations, be approved as follows:

DALLAS AND KANSAS CITY

		Shares
Merchants & Planters Nat. Bank	Ada, Okla.	36
City National Bank	Altus, Okla.	33
Ardmore National Bank	Ardmore, Okla.	72
First National Bank	Berwyn, Okla.	18
First National Bank	Chickasha, Okla.	156
First National Bank	Custer City, Okla.	18
First National Bank	Lawton, Okla.	66
City National Bank	McAlester, Okla.	33
Mangum National Bank	Mangum, Okla.	48
First National Bank	Marietta, Okla.	45
First National Bank	Pauls Valley, Okla.	90
National Bank of Commerce	Pauls Valley	36
First National Bank	Rush Springs, Okla.	22
First National Bank	Stonewall, Okla.	26
National Bank of Verden	Verden, Okla.	18
Waurika National Bank	Waurika, Okla.	16
First National Bank	Wetumka, Okla.	22
First National Bank	Altus, Okla.	41
First National Bank	Arapaho, Okla.	18
First National Bank	Elk City, Okla.	34
National Bank of Hastings	Hastings, Okla.	18
State National Bank	Heavener, Okla.	15
Farmers National Bank	Hydro, Okla.	16
First National Bank	Lindsay, Okla.	30
First National Bank	Mangum, Okla.	45
Marietta National Bank	Marietta, Okla.	60
Farmers National Bank	Maysville, Okla.	17

	Shares.
First National Bank	Sayre, Okla. 20
Park National Bank	Sulphur, Okla. 18
Temple National Bank	Temple, Okla. 16
American National Bank	Wetumka, Okla. 18
Latimer County National Bank	Wilburton, Okla. 18
First National Bank	Wynnewood, Okla. 60
State National Bank	Cordell, Okla. 21
First National Bank	Hydro, Okla. 17
Calvin National Bank	Calvin, Okla. 17
First National Bank	Alex, Okla. 27
First National Bank	Blair, Okla. 18
Chickasha National Bank	Chickasha, Okla. 69
Citizens National Bank	Chickasha, Okla. 54
Farmers National Bank	Cordell, Okla. 18
First National Bank	Eldorado, Okla. 24
First National Bank	Grandfield, Okla. 18
City National Bank	Hollis, Okla. 16
First National Bank	Kiowa, Okla. 22
First National Bank	McAlester, Okla. 81
National Bank of Marlow	Marlow, Okla. 18
State National Bank	Marlow, Okla. 17
First National Bank	Minco, Okla. 18
First National Bank	Mountain View, Okla. 18
First National Bank	Poteau, Okla. 26
First National Bank	Ringling, Okla. 31
Farmers & Merchants Nat. Bank	Roff, Okla. 23
First National Bank	Snyder, Okla. 17
American National Bank	Stigler, Okla. 18
First National Bank	Thomas, Okla. 18
First National Bank	Verden, Okla. 16
First National Bank of	Waurika, Okla. 17
First National Bank	Addington, Okla. 17
First National Bank	Anadarko, Okla. 36
First National Bank	Ardmore, Okla. 120
First National Bank	Blanchard, Okla. 30
First National Bank	Comanche, Okla. 18
First National Bank	Clinton, Okla. 21
Peoples State National Bank	Custer City, Okla. 18
First National Bank	Davis, Okla. 36
First National Bank	Duncan, Okla. 36
Francis National Bank	Francis, Okla. 18
Farmers National Bank	Hammon, Okla. 17
Peoples National Bank	Kiowa, Okla. 17
First National Bank	Spiro, Okla. 18
First National Bank	Stigler, Okla. 36

		Shares
First National Bank	Stuart, Okla.	18
First National Bank	Walters, Okla.	18
Walters National Bank	Walters, Okla.	24
First National Bank	Washington, Okla.	16
First National Bank	Weatherford, Okla.	18
German National Bank	Weatherford, Okla.	36
First National Bank	Allen, Okla.	24

PHILADELPHIA AND NEW YORK

Seacoast National Bank	Asbury Park, N. J.	105
First National Bank	Belmar, N. J.	45
Citizens National Bank	Bloomsbury, N. J.	15
Bound Brook National Bank	Bound Brook, N. J.	36
First National Bank	Bound Brook, N. J.	75
First National Bank	Bradley Beach, N. J.	17
First National Bank	Butler, N. J.	66
Citizens National Bank	Caldwell, N. J.	25
Califon National Bank	Califon, N. J.	19
First National Bank	East Newark, N. J.	21
First National Bank	Edgewater, N. J.	30
Citizens National Bank	Englewood, N. J.	90
First National Bank	Englishtown, N. J.	36
First National Bank	Guttenburg, N. J.	45
Hardyston National Bank	Hamburg, N. J.	51
First National Bank	Hope, N. J.	20
First National Bank	Jamesburg, N. J.	45
Little Falls National Bank	Little Falls, N. J.	18
First National Bank	Lodi, N. J.	21
Citizens National Bank	Long Branch, N. J.	150
Farmers & Merchants Nat. Bank	Matawan, N. J.	90
First National Bank	Milford, N. J.	27
First National Bank	Millburn, N. J.	53
First National Bank	Montclair, N. J.	90
First National Bank	Morristown, N. J.	240
National Iron Bank	Morristown, N. J.	150
Manufacturers National Bank	Newark, N. J.	450
Peoples National Bank	New Brunswick, N. J.	150
Second National Bank	Orange, N. J.	180
First National Bank	Paterson, N. J.	660
Second National Bank	Paterson, N. J.	210
First National Bank	Perth Amboy, N. J.	180
First National Bank	Plainfield, N. J.	180
Second National Bank	Red Bank	135

	Shares
First National Bank	Ridgefield Park, N. J. 36
First National Bank	Rockaway, N. J. 18
First National Bank	Spring Lake, N. J. 45
First National Bank	West Orange, N. J. 72
First National Bank	Westwood, N. J. 29
Irvington National Bank	Irvington, N. J. 90
Peoples National Bank	Blairstown, N. J. 45
First National Bank	Dunellen, N. J. 24
Second National Bank	Hoboken, N. J. 240
Keansbury National Bank	Keansbury, N. J. 17
Metuchen National Bank	Metuchen, N. J. 33
Essex National Bank	Montclair, N. J. 113
Merchants National Bank	Newton, N. J. 114
First National Bank	Secaucus, N. J. 15
National Bank of	Westfield, N. J. 75
Peoples National Bank	Westfield, N. J. 48
First National Bank	Whitehouse Sta., N. J. 29
Peoples National Bank	Hackettstown, N. J. 60
Belvidere National Bank	Belvidere, N. J. 105
First National Bank	Belleville, N. J. 135

On motion applications for additional stock in

Federal reserve banks, were approved as follows:

DISTRICT No. 4.

First National Bank	Sabina, Ohio	1
Monroe National Bank	Monroe, Ohio.	1
Kenton National Bank	Kenton, Ohio	3
First National Bank	Glouster, Ohio	2
National Bank of	Delphos, Ohio	3
Commercial Nat'l. Bank	Tiffin, Ohio.	3
Tiffin National Bank	Tiffin, Ohio	15
First National Bank	Wilmington, Ohio	3
Second National Bank	Ashland, Ky.	12

DISTRICT No. 5.

Flat Top Nat'l. Bank	Bluefield, W. Va.	6
Clark National Bank	Clark, W. Va.	1
Oil Field Nat'l. Bank	Griffithsville, W. Va.	3
First National Bank	Logan, W. Va.	4
Matewan National Bank	Matewan, W. Va.	2
Nat'l. Bank of Commerce	Williamson, W. Va.	2
First National Bank	Worthington, W. Va.	3

DISTRICT No. 7.

		Shares.
Wabash National Bank	Wabash, Ind.	51

DISTRICT No. 8.

First National Bank	Seymour, Ind.	6
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DISTRICT No. 9.

First National Bank	Amboy, Minn.	1
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DISTRICT No. 10.

Germania National Bank	Ponca City, Okla.	3
First National Bank	Carbondale, Colo.	3
Bartlesville National Bank	Bartlesville, Okla.	30

DISTRICT No. 1.

Somerville National Bank	Somerville, Mass.	6
First National Bank of Smithfield	Slatersville, R. I.	1

DISTRICT No. 2.

First National Bank	Washingtonville, N. Y.	2
First National Bank	Tuckahoe, N. Y.	1
Peoples National Bank	Sidney, N. Y.	3
Sherburne National Bank	Sherburne, N. Y.	6
Saranac Lake National Bank	Saranac Lake, N. Y.	1
National Bank of	Port Jervis, N. Y.	1
Genesee River National Bank	Mt. Morris, N. Y.	1
First National Bank	Rockville Center, N. Y.	1
First National Bank	Marion Village, N. Y.	6
Lynbrook National Bank	Lynbrook, N. Y.	3
First National Bank	Grand George, N. Y.	1
First National Bank	Dolgeville, N. Y.	6
First National Bank	Caledonia, N. Y.	1
First National Bank	Brewsters, N. Y.	1
First National Bank	Batavia, N. Y.	15

DISTRICT No. 4.

Farmers National Bank	Haviland, Ohio	1
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DISTRICT No. 5.

		Shares.
First National Bank	Radford, Va.	3
Citizens National Bank	Gastonia, N. C.	6
American Exchange Nat'l. Bank	Greensboro, N. C.	27
First National Bank	Tarboro, N. C.	3
First National Bank	Williamson, W. Va.	6
Silver Springs National Bank	Silver Springs, Md.	2

DISTRICT No. 6.

Phoenix National Bank	Columbia, Tenn.	9
First National Bank	Boaz, Ala.	1

DISTRICT No. 8.

First National Bank	Bethany, Mo.	3
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DISTRICT No. 11.

First National Bank	Haworth, Okla.	2
State National Bank	El Paso, Tex.	21

DISTRICT No. 1.

Foxboro National Bank	Foxborough, Mass.	1
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DISTRICT No. 3.

First National Bank	New Egypt, N. J.	1
First National Bank	York, Pa.	18
Southwark National Bank	Philadelphia, Pa.	9

DISTRICT No. 4.

First National Bank	Shelby, Ohio	3
Second National Bank	Ravenna, Ohio.	6
First National Bank	Celina, Ohio.	2
Peoples National Bank	Adena, Ohio	1
Peoples National Bank	Lodi, Ohio	4

DISTRICT No. 5.

Merchants National Bank	Raleigh, N. C.	15
Marion National Bank	Marion, S. C.	3

		Shares.
Citizens National Bank	Union, S. C.	3
National Exchange Bank	Chester, S. C.	3
<u>DISTRICT No. 7.</u>		
First National Bank	Lacon, Ill.	6
Merchants & Illinois Nat'l.	Peoria, Ill.	120
<u>DISTRICT No. 10.</u>		
Commercial National Bank	Fremont, Nebr.	12
<u>DISTRICT No. 11.</u>		
First National Bank	Fort Sumner, N. M.	1
First National Bank	Milburn, Okla.	1
Hugo National Bank	Hugo, Okla.	3
First National Bank	Pampa, Texas	3
First National Bank	Oakville, Texas	2
Farmers National Bank	Manor, Texas	9
Farmers National Bank	Lone Oak, Texas	1
Citizens National Bank	Memphis, Texas	2
Coggin National Bank	Brownwood, Texas	3
<u>DISTRICT No. 1.</u>		
First National Bank	Bath, Me.	1
Lakeport National Bank	Lakeport, N. H.	1
Peoples National Bank	Claremont, N. H.	6
<u>DISTRICT No. 4.</u>		
First National Bank	Cherry Tree, Pa.	3
First National Bank	Erie, Pa.	30
New Florence National Bank	New Florence, Pa.	2
<u>DISTRICT No. 5.</u>		
National Bank of	Chesapeake, Md.	1
Farmers & Merchants Nat'l.	Easton, Md.	3
First National Bank	Frostburg, Md.	3
First National Bank	Hagerstown, Md.	15
First National Bank	Hampstead, Md.	2
Citizens National Bank	Havre-de-Grace, Md.	4

		Shares.
First National Bank	New Windsor, Md.	3
First National Bank	Parkton, Md.	3
First National Bank	Upper Marlboro, Md.	3
White Hall National Bank	White Hall, Md.	3
First National Bank	Durham, N. C.	9
Fourth National Bank	Fayetteville, N. C.	2
National Bank of	Greenville, N. C.	4
Farmers National Bank	Louisburg, N. C.	3
First National Bank	Marion, N. C.	2
First National Bank	Morganton, N. C.	3
Citizens National Bank	Anderson, S. C.	6
First National Bank	Bishopville, S. C.	4
Peoples National Bank	Rock Hill, S. C.	6

DISTRICT No. 6.

First National Bank	Plant City, Fla.	3
First National Bank	Lavonia, Ga.	1
First National Bank	Vidalia, Ga.	1
American National Bank	Knoxville, Tenn.	1
Cumberland Valley Nat'l.	Nashville, Tenn.	16
Traders National Bank	Tullahoma, Tenn.	2

DISTRICT No. 8.

First National Bank	Allendale, Ill.	1
First National Bank	Percy, Ill.	1
First National Bank	Chillicothe, Mo.	6

DISTRICT No. 10.

Farmers National Bank	Atwood, Kans.	2
El Dorado National Bank	El Dorado, Kans.	1

On motion applications for the surrender of stock
in Federal reserve banks, were approved as follows:

DISTRICT No. 2.

First National Bank	East Islip, N. Y.	1
East Worcester National Bank	East Worcester, N.Y.	2
Tioga National Bank	Owego, N. Y.	3
National State Bank	Troy, N. Y.	45

DISTRICT No. 4.

		Shares.
First National Bank	Canonsburg, Pa.	30
Fourth National Bank	Cadiz, Ohio.	9

DISTRICT No. 7.

First National Bank	Oregon, Ill.	48
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DISTRICT No. 11.

First National Bank	Eunice, La.	5
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All the foregoing being duly recommended by Mr. Harding as a special committee.

Mr. Williams submitted a memorandum relating to the estimated cost of examining national banks, and after discussion and consultation with Counsel, it was voted that on and after July 1, 1915, examinations of national banks should be made for a minimum fee of \$25, plus two cents per thousand dollars of assets, provided that Counsel shall obtain from the Comptroller of the Treasury assent to the proposed plan as being in accordance with the requirements of law.

On motion it was voted that the Secretary be authorized to inform Federal Reserve Agent Miller in answer to a letter from the latter, that Regulation O need not be distributed to member banks, if, in his judgment, it is undesirable to do so.

The Secretary of the Board having submitted a letter from Federal Reserve Agent Bosworth of Chicago relative to methods of adjusting his note account with the Federal Reserve Bank of Chicago, was directed that it, with other papers on the same subject now in possession of Mr. Delano, be transmitted to Counsel with a request for his opinion as to the legal aspects of the case.

A report relating to the controversy between the Federal Reserve Banks of Dallas and Kansas City regarding exchange charges, was read, but it was informally agreed to take no action pending the receipt of a report from Federal Reserve Agent Tenison regarding the whole matter.

On motion a letter from Federal Reserve Agent Miller with reference to the restrictions on real estate loans under certain conditions by national banks, was referred to Counsel for an opinion as to the legal aspects of the matter.

Applications for Federal reserve notes duly recommended by the Committee on Issue and Redemption, were approved as follows:

KANSAS CITY

\$10 denomination

\$800,000

DALLAS

\$2,450,000 in following denominations:

\$5 denomination	\$760,000
10 denomination	760,000
20 denomination	480,000
50 denomination	400,000

Letters from the Federal Reserve Bank of Dallas requesting a further printing of Federal reserve notes, were ordered referred to the Committee on Issue and Redemption.

In answer to a letter from Federal Reserve Agent Perrin regarding the obtaining of specimen signatures from member banks the Secretary was instructed to suggest that Mr. Perrin arrange with the several banks to furnish them direct.

In answer to a letter from Deputy Federal Reserve Agent McCaleb asking for information regarding the dividends of member banks, the Secretary was instructed to say that no call for this information was contemplated for several months to come; but if it is desired to obtain these data with respect to any particular bank from the old records it would be well that he apply direct to the member bank.

On motion it was voted that the Secretary of the Board communicate with all supervisors of banks in

the several states, and request from each of them a statement showing what proportion of state bank reserves is held in cash in vault; what proportion is held on deposit in other state banks and trust companies; and what proportion is deposited in national banks as of the latest date.

A letter from Hon. A. S. Burleson regarding the selection of a successor to Mr. E. O. Tenison, was ordered acknowledged, and laid on the table until the time comes for the selection of Mr. Tenison's successor.

A letter from Director Ralph of the Bureau of Engraving and Printing was ordered referred to the Committee on Issue and Redemption for report.

A letter from Federal Reserve Agent Perrin respecting the payment of a salary to Deputy Federal Reserve Agent Claud Gatch was laid on the table.

The application of the Federal Reserve Bank of Kansas City to buy \$85,000 of the City of Springfield, Mo., warrants, and the application of the Federal Reserve Bank of Philadelphia to hold \$55,000 out of \$90,000 of Atlantic County, N. J., warrants, were referred to the Executive Committee with power to act.

Questions relating to the handling of mutilated Federal reserve notes, were referred to the Committee on Issue and Redemption for report.

Inquiry from the Old National Bank of Spokane, Washington, relative to its status under the provisions of the Clayton Act, was ordered referred to Counsel for an opinion.

On motion the following opinions of Counsel were ordered released for publication in the forthcoming number of the Federal Reserve Bulletin:

1. No. 164 as to drafts payable on arrival of trade.
2. No. 98 as to "taxable property".
3. No. 284 (June 25, 1915) relating to payment of dividends.
4. No. 273 relating to surrender of capital stock when change in surplus is made.

On motion at 1.00 p. m. the Board adjourned to meet at 11.00 a. m. on Wednesday, July 21.

H. Parker Willis
Secretary.

APPROVED:

W. H. C. ...

Chairman.