

At a regular meeting of the Federal Reserve Board held in the office of the Board on Thursday, August 19, 1915 at 11.20 a. m.

PRESENT:

Mr. Hamlin, presiding, Mr. Harding

Mr. Williams Mr. Miller

Mr. Allen, Assistant Secretary.

Mr. Miller was requested to wire Federal Reserve Agent Rich, Federal Reserve Bank of Minneapolis, asking if any action had been taken by the directors of his bank in connection with the status and salary of Curtis L. Mosher, his assistant.

A draft of Regulation proposed for the retirement of national bank circulation and refunding of United States 2% bonds, forwarded by Assistant Secretary Malburn was presented to the Board and it was directed that it be circulated among the members in Washington and then mailed to Mr. Warburg for his examination.

A letter from Governor Strong, Federal Reserve Bank of New York, dated August 9, making suggestions as to the amendment of the Federal Reserve Act was placed before the Board and it was directed that it be circulated for the information of the members of the Board.

Correspondence relative to personal borrowings of J. Ogden Armour, jr., of Chicago, and the borrowings and financial condition of Armour and Company in connection with national banks and the rediscount of such obligations by Federal reserve banks was placed before the Board and on motion referred to a special committee of Mr. Harding and Mr. Miller.

A letter from D. C. Wills, Federal Reserve Agent at Cleveland, dated August 17, was read. This letter requested that permission be given to send members of the bank's staff to examine three or four banks on the list of institutions rediscounting with the Cleveland bank and that the Chief Examiner of the district be sent to examine the Phoenix-Third National Bank of Lexington. The Secretary was directed to reply to Mr. Wills that after consultation with the Comptroller of the Currency the Board regarded it as better that he should send men from his own bank to examine the loan portfolios of all of these institutions. The Comptroller who was present at the meeting, stated that in case there was any unusual reason for making an examination of the Phoenix-Third National Bank of Lexington and Mr. Wills

would again call it to the special attention of the Board, the Comptroller would give consideration to sending an examiner to make the examination.

The opinion of J. F. Curtis, counsel, Federal Reserve Bank of New York, as to the exercise of Trust powers by banks in the State of New Jersey, was laid before the Board and ordered to be circulated among its members for their information. It was also directed that copy of the report of the opinion be referred to Counsel for his examination and report.

A letter from M. B. Wellborn, Federal Reserve Agent at Atlanta, announcing the election of Mr. Marcus Walker of New Orleans, La., as a Class "C" Director and his designation as manager of the New Orleans branch of the Federal Reserve Bank at Atlanta, at a salary of \$4,800 per year was laid before the Board. On motion this salary was approved.

There was laid before the Board a resolution adopted at a meeting of the Board of Directors of the Federal reserve bank of Atlanta, on August 16th, and forwarded by Federal Reserve Agent Wellborn under date of August 17, requesting that the Federal Reserve Board per-

mit the Federal Reserve Bank of Atlanta to make a preferential rate of $2\frac{1}{2}$ to $4\frac{1}{2}\%$ on commodity loans, the commodities to be properly insured and warehoused. This request was referred to Mr. Harding, direction being given that the letter also be referred to Counsel and a copy sent to Mr. Warburg.

The Assistant Secretary laid before the Board the question whether, Mr. G. L. Harrison, associate counsel, should be repaid expenses of railroad and pullman fare, amounting to \$27.22, incurred in returning to Washington after leaving for his annual vacation, his return being necessitated by action on State Bank applications. It was voted that this amount should be paid to Mr. Harrison.

Governor Hamlin called attention to the resolution passed by the Cleveland Clearing House Association of Cleveland, Ohio, on August 4, adopting the suggestions of the Board in Regulation C, with reference to the filing of statements of business condition of borrowers. This was noted and ordered filed.

Mr. Williams called up the request of Federal Reserve Agent Jay, Federal Reserve Bank of New York, in

which he asked for information as to comparative cost of examinations of banks under the new and old systems, and suggested that a statement of these costs might well be published in the Federal Reserve Bulletin. Mr. Williams stated that he had furnished such a statement to Vice Governor Delano some weeks ago and this statement was produced and called to the attention of the Board. The question of a reply to Mr. Jay was then referred to Mr. Williams and Mr. Harding as a special committee. Governor Hamlin laid before the Board a letter from James B. Forgan, of Chicago, addressed to Vice Governor Delano, and in the absence of the Vice Governor referred by his Secretary to Mr. Hamlin.

Governor Hamlin presented a letter from Representative Carl Vinson of Georgia, asking relative to the aid to be extended to farmers under the plan of the Federal Reserve Board, and whether the discount rate would be regulated by the Board or the Federal reserve banks. This was referred to Mr. Harding for a reply.

Governor Hamlin presented a draft of a letter replying to the request of H. Robert Fowler that he be given a copy of the brief, argument, etc., of counsel

in connection with the brief filed by Mr. Fowler with the Board. This letter was approved and ordered to be sent.

It was moved and voted that a copy of the minutes of the meeting of the Federal Reserve Board held in New York on August 10th be sent to Mr. Warburg for his inspection.

It was moved and voted that the question, whether daily settlement with the Gold Settlement Fund should now be undertaken be referred to the executive committee of Governors of the Federal reserve banks.

Governor Hamlin called attention to the receipt by him of a letter from James B. Forgan, president of the Advisory Council of the Board, stating that a meeting would be held on September 21st. On motion a committee, composed of Mr. Harding, Comptroller Williams and Mr. Miller were appointed to prepare the suggestions of the Board to be sent to Mr. Forgan and presented at the meeting of September 21st.

On motion it was voted to admit to membership in the system the Badger State Bank of Milwaukee, Wis-

consin, the Elmhurst State Bank of Elmhurst, Illinois, and the Fort Scott State Bank of Fort Scott, Kansas. Mr. Harding and Mr. Williams of the committee on State banks, who were present, recommended this action.

The Assistant Secretary called the attention of the Board to a report made by the United States Secret Service on George Foster, of 422 Columbia Building, Spokane, Washington, who has been in correspondence with the Board in a manner to make such a report appear to be advisable.

The application of the German-American Bank of Minneapolis, for membership in the Federal reserve system having been approved by Mr. J. A. Broderick, chief of the Division of Audit and Examination, who stated in a telegram to the Board on August 16, as follows:

Referring to German-American recommend approval of application subject to general conditions as to business and branches.

It was voted to admit this bank subject to the conditions governing State banks adopted by the Board at its meeting yesterday.

At 12.10 p. m. the Board adjourned, to meet subject to the call of the Chair.

APPROVED:

Secretary.

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Chairman.