

STANDING COMMITTEE

ADMISSION STATE BANKS

September 27 - December 14.

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A meeting of the Standing Committee on the Admission of State Banks was held in the office of Mr. Harding, on Monday, September 27th at 3.00 p. m.

PRESENT:

Mr. Harding, Chairman                      Mr. Warburg

PRESENT ALSO:

Mr. Pierre Jay                                      Mr. J. A. Broderick

1. It was stated that the Federal Reserve Bank of New York had sent to the Board a copy of the report made with reference to the condition of the Hudson Trust Company. The principal points made in this report are incorporated in the attached memorandum dated September 27th 1915, which was read to the committee. Mr. Jay explained the action taken by the Reserve Bank Committee in connection with the Trust Company's application. Mr. Jay spoke of a conference with the Trust Company officials, and also explained in detail the reasons for the action taken by his committee. As the matter now stands it is the intention to hold the application in abeyance for a few months, in order to give the Trust Company an opportunity of working out its objectionable loans and investments. The Committee approved the following recommendation:

That no expression of opinion be until the matter is brought to the attention of the Board either by the Hudson Trust Company or again by the Reserve Bank.

2. After considering a letter dated September 22d received from Mr. McCaleb, in which he asks, on behalf of the Reserve Bank Committee, for instructions on the general proposition as to whether, before examining into the application of a State bank, a special examiner should be sent, with the view of ascertaining the exact condition of the applying institution, the following recommendation was approved:

That the Federal Reserve Agent be advised that where doubt exists as to the condition of a State Bank which has applied for membership, or where the Reserve Bank Committee does not feel justified in basing a favorable or unfavorable recommendation upon the data contained in the State Examiner's report, it will be considered proper for a representative of the Reserve Bank of make such additional investigation or to obtain such supplemental information as may be necessary. If, however, a special or regular examination is desired, the procedure outlined in the memorandum adopted by the Board under date of July 28th, "State Bank Applications - Procedure," should be followed.

3. The recommendation made as to the approval of the application of the Central State Bank and Trust Company of Dallas, Texas, was approved by the committee,

subject to conditions set forth in the memorandum dated September 27th.

4. Applications are in hand from the Commercial Trust Company and Savings Bank of Joliet, Illinois, which is being held awaiting the receipt of supplemental information, and from the Peoples State Bank of Sumter, South Carolina, received September 25th, awaiting examination of the papers now in hand.

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Secretary.

APPROVED:

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Chairman.

