

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:00 a. m., on Monday, February 14,

## PRESENT:

Mr. Hamlin, presiding Mr. Williams

Mr. Delano Mr. Warburg

Mr. Harding

Mr. Willis, Secretary.

On motion, upon the report of Mr. Harding, it was voted that in determining the population of Sioux City, Iowa, for the purpose of passing upon the application of the Bankers' Loan and Trust Company for admission, the practice of the Comptroller in ascertaining population shall be followed.

A report from Mr. Harding concurring in the action of Federal Reserve Agent Ingle in returning to the Bank of Dillon papers relating to its application for admission to the system, was approved.

On motion 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. 2. Shares.

Lake Placid National      Lake Placid, N.Y.      6

DISTRICT No. 3.

First National Bank      Fredericksburg, Pa.      1

DISTRICT No. 5.

Carolina National Bank      Darlington, S. C.      1

First National Bank      Asheboro, N. C.      2

Bath County National      Hot Springs, Va.      2

Peoples National Bank      Strasburg, Va.      1

Buchanan National Bank      Buchanan, Va.      2

DISTRICT No. 6.

Citizens National Bank      Washington, Ga.      2

First & Peoples Nat'l      Gallatin, Tenn.      36

DISTRICT No. 11.

First National Bank      Hallettsville, Tex.      3

DISTRICT No. 12.

Central National Bank      Oakland, Cal.      60

First National Bank      Orange, Cal.      4

First National Bank      Mountain Home,  
Idaho      30

First National Bank      Junction City,  
Oregon      1

United States Nat'l	McMinnville, Ore.	3
Paisley National Bank	Paisley, Oregon	9
Northwestern Nat'l Bank	Portland, Oregon	15
First National Bank	Sedro Wooley, Wash	2
Fidelity National Bank	Spokane, Wash.	30

## DISTRICT No. 9.

Farmers National Bank	Hutchinson, Minn.	1
First National Bank	International Falls, Minn.	1
Jackson National Bank	Jackson, Minn.	3
National Bank of Dodge County	Kasson, Minn.	4
First National Bank	Mapleton, Minn.	2
First National Bank	Mora, Minn.	1
Worthington Nat'l Bank	Worthington, Minn.	3
First National Bank	Highmore, S. Dak.	6
National Bank of -	Huron, S. Dak.	2
First National Bank	South Shore, S. Dak.	1
First National Bank	Volga, S. Dak.	1
Merchants National Bank	Fargo, N. Dak.	15
Farmers & Merchants Nat.	Jamestown, N. Dak.	1
First National Bank	Lidgerwood, N. Dak.	3
First National Bank	Page, N. Dak.	1
United States Nat'l	Superior, Wis.	3
First National Bank	Rice Lake, Wis.	3
First National Bank	Marshfield, Wis.	6

## DISTRICT No. 10.

First National Bank	Arvada, Colo.	1
First National Bank of Douglas County	Castle Rock, Colo.	1
United States National	Denver, Colo.	15
First National Bank	Eads, Colo.	6
First National Bank	Eaton, Colo.	2
First National Bank	Holly, Colo.	3
First National Bank	La Jara, Colo.	1
First National Bank	Moncos, Colo.	2

First National Bank	Olathe, Colo.	1
First National Bank	Pueblo, Colo.	30
First National Bank	Rocky Ford, Colo.	2
National Bank of -	Wray, Colo.	2
National Bank of -	Wray, Colo.	2
Cedar Vale Nat'l Bank	Cedar Vale, Kans.	3
Council Grove Nat'l Bank	Council Grove, Kans.	1
Army National Bank	Fort Leavenworth, Kans.	1
First National Bank	Fowler, Kans.	6
Farmers National Bank	Hutchinson, Kans.	26
Home National Bank	Longton, Kans.	1
Mankato National Bank	Mankato, Kans.	3
Solomon National Bank	Solomon, Kans.	3
First National Bank	Prairie View, Kans	1
St. John National Bank	St. John, Kans.	3
Union Stock Yards Nat'l	Wichita, Kans.	3
First National Bank	Lamar, Mo.	1
First National Bank	Lathrop, Mo.	3
National Bank of -	North Kansas City, Mo.	3
First National Bank	Stewardsville, Mo.	3
First National Bank	Bayard, Nebr.	4
First National Bank	Carroll, Nebr.	3
First National Bank	Decatur, Nebr.	1
Farmers & Merchants Nat.	Fairbury, Nebr.	1
Farmers & Merchants Nat.	Fremont, Nebr.	8
Gering National Bank	Gering, Nebr.	1
First National Bank	Hartington, Nebr.	2
First National Bank	Hemingford, Nebr.	3
First National Bank	Humphrey, Nebr.	1
Citizens National Bank	Norfolk, Nebr.	3
First National Bank	Plainview, Nebr.	3
Scottsbluff Nat'l Bank	Scottsbluff, Nebr.	2
First National Bank	Stanton, Nebr.	15
First National Bank	Wausa, Nebr.	8
First National Bank	Wausa, Nebr.	1
First National Bank	Winnebago, Nebr.	1
First National Bank	Wynot, Nebr.	1
First National Bank	Allen, Okla.	2

First National Bank,	Bixby, Okla.	2
First National Bank	Braggs, Okla.	1
Alfalfa County Nat'l	Cherokee, Okla.	1
Farmers National Bank	Cushing, Okla.	1
First National Bank	Drumright, Okla.	3
Citizens National Bank	Edmond, Okla.	1
First National Bank	Fairland, Okla.	1
Citizens National Bank	Fort Gibson, Okla.	1
First National Bank	Geary, Okla.	1
First National Bank	Harrah, Okla.	1
First National Bank	Morris, Okla.	1
First National Bank	New Wilson, Okla.	1
American National Bank	Oklahoma City, Okla.	3
Farmers National Bank	Oklahoma City, Okla.	3
Security National Bank	Oklahoma City, Okla.	6
Citizens National Bank	Sallisaw, Okla.	2
Oklahoma National Bank	Skiatook, Okla.	2
First National Bank	Vian, Okla.	2
First National Bank	Wellston, Okla.	1
First National Bank	Waynoka, Okla.	1
First National Bank	Yale, Okla.	1
First National Bank	Douglas, Wyo.	15
Evanston National Bank	Evanston, Wyo.	3
First National Bank	Powell, Wyo.	1
Powell National Bank	Powell, Wyo.	1
First National Bank	Sheridan, Wyo.	3

A draft of a resolution to be used by Federal reserve banks in declaring dividends, prepared by Counsel, was read to the Board, and on motion ordered circulated, the matter to lie on the table meanwhile.

// Mr. Williams reported the result of a

conference between Mr. Harding and himself relative to the form for use in reporting the condition of national banks. He had accepted all of the suggestions made by Mr. Harding and approved by the Board, with the exception of one relating to the number of depositors. The report was approved but held to await further report as to foreign letters of credit. //

On recommendation of Mr. Delano and Mr. Harding the action of the Federal Reserve Bank of Richmond in determining to buy bonds primarily from member banks, was approved.

In answer to letters from Governor McDougal of Chicago and Federal Reserve Agent Curtiss of Boston regarding the allotment of bonds, it was on motion voted:

(1) That allotment of bonds shall be made in proportion to capital stock of reserve banks;

(2) That there is no objection to a bank's anticipating its allotment by purchases; - both of these decisions being in accordance with past rulings.

On motion it was voted that the Governor and Vice Governor, acting jointly, should prepare letters with reference to the purchase of bonds in answer to questions put by Federal reserve agents.

The question of the establishment of an open market rate at Dallas was laid on the table for the present meeting.

Mr. Warburg reported to the Board the result of certain conversations he had had with Mr. Daniel G. Wing relative to the question of foreign branch banks, stating that Mr. Wing was confident he could secure the cooperation of enough other banks to form a strong institution for the creation of branches in other countries.

Mr. Hamlin reported that Mr. Rowe of the Advisory Council, had prepared a plan for clearance on a basis of immediate debit and credit, and would like to appear before the Board for the purpose of explaining it. It was

informally agreed that Mr. Rowe be received at the proper time.

On motion it was voted that the Secretary notify the Federal Reserve Bank of New York of the date of the forthcoming hearing regarding the position of certain Connecticut banks for transfer.

Mr. Warburg presented to the Board the text of certain amendments to the Federal Reserve Act which he had prepared with a view to carrying into effect the recommendations of the Board in its forthcoming report.

Mr. Hamlin, on behalf of the Committee on Law, filed a written report regarding many proposed amendments referred to that committee.

On motion Mr. Harding was requested to endeavor to obtain for the Board's Counsel the use of the room now occupied by the Division of Insolvent Banks.

On motion it was voted that an in-

quiry from Chief of Division Broderick be answered with the statement that bankers' acceptances running 90 days and endorsed by a member bank in any district, are eligible as security against Federal reserve notes.

In answer to an inquiry from Chief of Division Broderick it was voted that where only one annual examination of State banks is made, a special examination shall be made by the Board, either independently or in cooperation with clearing house or other examiners, of such State banks as may be members of the system.

It having been brought to the attention of the Board that some reserve banks were granting loans on commodity paper for a six months period, Mr. Harding and the Secretary were directed to send to such banks a telegram stating the Board's opinion that such loans should be limited to 90 days.

Mr. Harding reported to the Board a conversation held with Mr. E. F. Swinney of Kansas City concerning certain difficulties of administration in that institution. It was informally agreed that a committee should visit the Kansas City Bank as soon as reasonably practicable.

Mr. Delano presented the following resolution, which was read and referred to the Committee on Law:

WHEREAS, the necessity has long been recognized of a recodification of the National Banking Act; and

WHEREAS, evidence has in the past been gathered from many sources regarding changes which were thought desirable; and

WHEREAS, the Federal Reserve Board offers all necessary aid in collecting data and preparing such revision; now, therefore,

BE IT RESOLVED, that Congress be requested to authorize the Banking and Currency Committees of the Senate and House of Representatives to make a careful study of and report on the entire subject, taking under advisement the

various recommendations heretofore made by Secretaries of the Treasury, Comptrollers of the Currency and other investigators and officers and such recommendations as may be made by the Federal Reserve Board, and to present to Congress not later than December 10, 1916, a bill embodying a complete revision and recodification of the National Banking Act.

A letter from Mr. Delano with reference to the question of the date from which the salary of the Comptroller of the Currency should begin to run, was ordered referred to the Governor of the Board for presentation in such form as he may see fit.

Mr. Harding presented the draft of a proposed letter to Federal Reserve Agent Wellborn relating to the question of keeping a 100% reserve behind public deposits in Southern reserve banks. The letter was read and ordered to lie on the table for the present.

Mr. Harding presented a draft of a memorandum proposing a plan whereby the Comptroller of the Currency would refer to Counsel for the Board

questions relating to the Federal Reserve Act, the opinion of Counsel under such circumstances to have the same force as if rendered by Counsel to the Comptroller. The matter was referred to the Committee on Law.

Mr. Hamlin reported that the Georgia Bankers' Association had invited him to address it at Macon, Georgia, during the month of May. On motion he was authorized to attend the meeting at the expense of the Board.

The Committee on Staff having reported in favor of authorizing the Comptroller of the Currency to appoint two money counters for sixty days, the report was on motion approved.

The Committee on Expenditures having reported relative to certain proposed changes in the fees payable to directors of the Federal Reserve Bank of Richmond, the matter was referred to Mr. Harding and Mr. Williams with power to act.

A communication from Mr. J. P. Cotton concurring in the opinion of Counsel of the Board relative to the lack of power of the Board to prescribe the qualifications of members of the Advisory Council, was read and noted.

A letter reported by Mr. Warburg in reply to an inquiry of Governor Fancher relative to the eligibility of dairy paper, was referred to the Governor and Secretary of the Board with power to act.

A letter from the Comptroller of the Currency with reference to the action of Governor Van Zandt of Dallas in approving a reduction in capital stock desired by a national bank, having been read, the Secretary of the Board was directed to call Governor Van Zandt's attention to the practice of the Board in the matter.

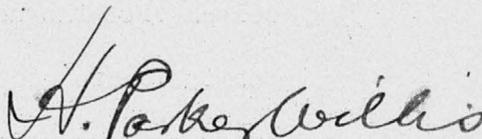
Mr. Warburg having suggested the advisability of reducing trade acceptance rates at reserve banks to 3%, it was agreed that each

member write an informal letter to the re-  
serve bank to which he is specially detailed,  
making this suggestion.

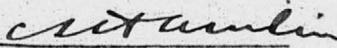
Certain correspondence with Mr. W.  
B. Yeary of Texas was presented to the Board  
and ordered filed.

On motion it was voted that the Sec-  
retary be authorized to send to the printer  
the revised draft of the new regulations of  
the Board.

On motion at 1:15 p. m. the Board  
adjourned to meet on Tuesday, February 15, at  
11:00 a. m.

  
Secretary.

APPROVED:

  
Chairman.