

At a meeting of the Federal Reserve Board held in the office of the Board at 3:10 P. M. on Wednesday, July 5, 1916,

PRESENT:

- Mr. Hamlin, presiding, Mr. Warburg,
- Mr. Delano, Mr. Harding,
- Mr. Williams, Mr. Allen, Secretary.

The minutes of the meeting on Friday, June 30, were read and approved.

Forms for use in connection with the Clayton Act and the letter to Agents in this connection were discussed, changes made and both ordered circulated for the final approval of the Board.

Two letters urging the establishment of a branch of the Federal Reserve Bank of St. Louis at Louisville, Kentucky, were presented and noted.

A letter from the Department of Jus-

tice, signed by Mr. J. Carroll Todd, Assistant
to the Attorney General, in which suggestions
of the Board were asked in connection with the
statement that interest paid on daily balances
by the Kansas City Clearing House Association
was at a rate fixed by the Association and
that member banks were penalized if this rate
was not paid, was referred to Governor and
Counsel for the Board.

Attention was called to a telegram
from Mr. T. H. Dickson and the reply stating
that the Board would meet the Committee of
which he is Secretary in Washington on July
11th or 12th, was noted.

The Secretary presented the resolu-
tions and motions adopted by the Conference
of Federal Reserve Agents held in Washington
on May 29th and they were referred to the Ex-
ecutive Committee.

A letter from Governor Aiken, stat-

ing that the Federal Reserve Bank of Boston had made the rate for 90-day bankers' acceptances endorsed by member banks $2\frac{1}{4}\%$ and for unendorsed bills of the same character $2-3/8\%$, was noted.

The Board approved the application of the Federal Reserve Bank of Philadelphia contained in a telegram from Governor Rhoads making the following increases in rates:

Trade acceptances, all maturities, -	$3\frac{1}{2}\%$
Commodity Paper, -	$3\frac{1}{8}\%$
Commercial paper, 10 day maturities -	$3\frac{1}{2}\%$

A letter from the Federal Reserve Bank of Kansas City, to Mr. Delano, recommending the following rate changes, was read and the Secretary instructed to prepare a telegram asking the recommendation of the Board of Directors of the Bank upon the proposed increase, which were as follows:

Trade acceptances -	$3\frac{1}{2}\%$ to 4%
Commodity paper -	3% to 4%
10-day commercial paper -	4% to $4\frac{1}{2}\%$

The resignation of Miss Dorothy H. Barnard, Clerk in the Division of Issue, dated June 30th was accepted.

On motion of Mr. Delano the temporary employment of Mrs. Emma R. Potter as a clerk in the Division of Issue at \$840.00 per annum, was approved for the additional month of July.

Formal approval was given by the Board to the application of the Chase National Bank of New York to accept drafts or bills of exchange up to 100% of its capital and surplus. This was recommended by the Federal Reserve Agent at New York and action taken upon the initialed approval of five members of the Federal Reserve Board.

Mr. Delano suggested to the Board the desirability of having the minutes of the Board written and indexed in the office of the Secretary that it might not be necessary for them to leave the Secretary's office and the Assistant

Secretary was authorized by the Board to make arrangements to have the minutes so treated.

The application of the National City Bank to establish a branch at Petrograd, Russia, with ten sub-branches, agencies or offices in Russia, was presented to the Board. After discussion Mr. Delano moved that the Board grant the application, the Secretary in conveying this information to the National City Bank to inquire at the direction of the Board if any changes have been made in the by-laws adopted by the National City Bank covering foreign branches and to ask that if changes have been made that they be forwarded for the examination and approval of the Board.

The above motion was adopted, Mr. Williams not voting but making the statement that before authorizing the opening of any more foreign branches or sub-branches he believed the Board should have more information

as to the management thereof. He suggested that it should be shown in general how these branches and sub-branches are to be operated and to what extent their management is authorized to commit the parent bank. Until this information be furnished he asked to be excused from voting.

The following order was to be entered on the Board's minutes:

FEDERAL RESERVE BOARD,
UNITED STATES OF AMERICA.

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In the Matter :
- of the - :

Application of the NATIONAL CITY BANK OF NEW YORK, for leave to open: a Branch in the Empire of Russia, with its main office in the City of: Petrograd.

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TO THE FEDERAL RESERVE BOARD:

The application of The National City Bank of New York respectfully shows: - - - - -

I. Your Petitioner is a corporation organized and existing under the National Bank Act of the United States of America, having its principal office and place of Business at No. 55 Wall Street, Borough of Manhattan, City, County and State of New York, and having an authorized and issued capital of Twenty-five million Dollars (\$25,000,000); and it has duly signified in writing its acceptance of the terms and provisions of the Federal Reserve Act, approved December 23, 1913, in accordance with Section 2 of the said Act. - - - - -

II. Your Petitioner desires to open a Branch for the conduct of its foreign business in the Empire of Russia and to locate the main office of the said Branch in the City of Petrograd in the said Empire. Your Petitioner's Board of Directors has heretofore set aside the sum of One million Dollars (\$1,000,000), as capital for the conduct of your Petitioner's foreign business in the said Empire of Russia.

III. In order to facilitate American business interests in the said Empire of Russia, it will probably be necessary, also, to establish sub-branches, agencies or offices in one or more of the Cities of Moscow, Odessa, Warsaw, Riga, Baku, Astrakhan, Vladivostock, Sebastopol, Helsingfors and Vilna, all in the said Empire. At each of these places, and at other places in the said Empire, there are extensive American business interests which should be served by the proposed Branch.

IV. It will be impossible to foretell how much capital will be required at any one

of these sub-branches, agencies or offices. The amount of capital required at each of them will undoubtedly vary, from time to time, in accordance with local industrial and commercial conditions. For this reason, it would not be advisable to allot a specific amount of capital to each of these offices. Your Petitioner accordingly desires that the said sum of One million Dollars (\$1,000,000) set aside as aforesaid, be treated as set aside by your Petitioner for the conduct of all its banking operations in the said Empire of Russia. - - -

WHEREFORE, your Petitioner prays for an order authorizing your Petitioner to establish the said Branch, with the main office in the City of Petrograd, and with sub-branches, agencies or offices in each of the said Cities of Moscow, Odessa, Warsaw, Riga, Baku, Astrakhan, Vladivostock, Sebastopol, Helsingfors and Vilna, or in any of the said places. - - - - -

THE NATIONAL CITY BANK OF NEW YORK,

By

F. A. VANDERLIP,

President.

Attest:

G. E. GREGORY,

Cashier and Secretary of the
Board of Directors.

STATE OF NEW YORK,
COUNTY OF NEW YORK.

FRANK A. VANDERLIP, being duly sworn, says, that he is the President of the National City Bank of New York, which is a corporation organized and existing under the laws of the United States of America, and is the Petitioner named in the foregoing application; that the said application is true to his own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters, he believes it to be true.

Sworn to before me,
June 28, 1916.

F. A. VANDERLIP

W. W. MITCHELL,

Notary public, Kings Co.,
No. 134 Kings Register No. 8117
Certificate filed in N. Y. Co., 352
New York Register No. 8297.

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AT A STATED MEETING
of the FEDERAL RE-
SERVE BOARD, held at
its office in the
City of Washington,
District of Columbia,
July 5 th, 1916.

P R E S E N T :
Hon. C. S. Hamlin,
Hon. John Skelton Williams,

Hon. P. M. Warburg,
Hon. F. A. Delano,
Hon. W. P. G. Harding.

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In the Matter
- of the -

Application of THE NATION-
AL CITY BANK OF NEW YORK,
for leave to open a Branch
in the Empire of Russia,
with its main office in the
City of Petrograd.

: ORDER GRANTING
LEAVE TO ESTAB-
LISH A BRANCH
WITH ITS MAIN OF-
FICE IN THE CITY
OF PETROGRAD, IN
THE EMPIRE OF
RUSSIA, WITH SUB-
BRANCHES, AGENCIES
OR OFFICES.

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The National City Bank of New York,
having on or about June 29, 1916, filed an ap-
plication with this Board for the purpose of
obtaining authority to establish a Branch, with
its main office in the City of Petrograd, in
the Empire of Russia, and with sub-branches,
agencies or offices in each of the Cities of
Moscow, Odessa, Warsaw, Riga, Baku, Astrakhan,
Vladivostock, Sebastopol, Helsingfors and Vil-
na, or in any of the said places, and having
furnished evidence that it has set aside the
sum of One Million Dollars (\$1,000,000) for
the conduct of its banking operations in the
said Empire of Russia; and the said applica-
tion having been considered; and it appearing
that the said application is properly made un-
der the laws of the United States of America
and should be granted, Now, therefore, it
is - - - - -

ORDERED, that the said application be and it hereby is approved, and that the said Bank be and it hereby is authorized to establish a Branch with the main office in the City of Petrograd, in the Empire of Russia, and to establish sub-branches, agencies or offices of the said Branch in each of the Cities of Moscow, Odessa, Warsaw, Riga, Baku, Astrakhan, Vladivostock, Sebastopol, Helsingfors and Vilna, or in any of the said places.

BY THE FEDERAL RESERVE BOARD,

C. S. HAMLIN,

G o v e r n o r .

Attest:

SHERMAN ALLEN,

Assistant Secretary.

Upon motion of Mr. Delano a dividend of 6% from organization to July 1, 1915, proposed by the Federal Reserve Bank of Kansas City, was approved subject to its declaration by the Directors of that Bank.

Upon recommendation of Mr. Delano, the salary of Cashier Anderson of the Federal

Reserve Bank of Kansas City, was approved at the rate of \$4,000 per annum for the balance of 1916.

The appointment of Mr. Jay L. Reed, as Acting Assistant to the Federal Reserve Agent at San Francisco ^{two} for the weeks from July 1, was noted.

Telegrams received by Counsel for the Board from Mr. Huff, Counsel for the Federal Reserve Bank of Dallas and Vice Governor Hoopes of the same bank relative to the action proposed to be taken by the Texas Bankers' Committee in connection with their opposition to the clearing plan, were read and Counsel for the Board authorized to take all necessary steps to defend any suit which might be filed in this connection.

The Board approved a report of the Committee on Issue and Redemption, signed by Mr. Delano and Mr. Harding and dated June 30,

recommending the printing of additional supplies of notes for the Federal Reserve Banks of Boston, St. Louis, Minneapolis and Dallas as follows:

BOSTON:

Recommended
To be Printed

Fives	\$580,000
Tens	4,400,000
Twenties
Fifties	400,000
Hundreds
Total	\$5,380,000

ST. LOUIS:

Fives	\$2,000,000
Tens	2,000,000
Twenties	1,040,000
Fifties
Hundreds
Total	\$5,040,000

MINNEAPOLIS:

Fives	\$1,000,000
Tens	2,600,000
Twenties	2,400,000
Fifties
Hundreds
Total	\$6,000,000

DALLAS:

Fives	\$1,000,000
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DALLAS (Continued)

Tens	\$
Twenties	1,040,000
Fifties
Hundreds
Total	<u>\$2,040,000</u>

Mr. Warburg reported that the Corn Exchange Bank of New York has applied for admission to membership in the Federal reserve system and the Committee on Operation of the Federal Reserve Bank of Boston was authorized to direct Mr. Broderick to proceed from Boston to New York to make an early examination of the bank in this connection.

Mr. Harding reported the desire of the American Trust and Savings Bank of Birmingham, Alabama, to become a member of the system and his action in authorizing Federal Reserve Agent Wellborn, Governor McCord and Mr. Kettig to make an examination of the bank preliminary to its entry into the system was approved.

A redraft of the proposed letter to

Federal Reserve Agents in connection with pending amendments to the Federal Reserve Act was read and a change made therein.

At 4:20 p. m., the Board adjourned to meet at 11:00 a. m., on Friday, July 7.


Secretary

APPROVED:


Chairman.