

At a regular meeting of the Federal Reserve Board held in the office of the Governor of the Board at 12:00, noon, on Tuesday, July 18,

PRESENT:

Mr. Hamlin, presiding Mr. Williams

Mr. Delano Mr. Harding

Mr. Allen, Secretary.

The minutes of the Board meeting on July 13, and of the Executive Committee meeting on July 14, were read and approved.

Upon favorable recommendation of the Federal Reserve Agent at San Francisco the Board granted the application of the National Bank of Commerce of Seattle, Washington, to accept drafts and bills of exchange up to 100% of its capital and surplus of \$1,750,000.

The Board approved a letter to the Federal Reserve Agent at Cleveland stating that it is not considered necessary to circu-

larize member banks in connection with the Clayton Act and the Kern amendment.

Approval was given to a letter suggested by Mr. Dulany to be sent to all Federal reserve agents covering procedure in filing applications under the Kern amendment to the Clayton Act.

Mr. Delano reported a conference with Governor Seay and a committee from the Federal Reserve Bank of Richmond in which they had stated their situation as to the acquiring of quarters to be occupied by the Bank. After discussion the following resolution was, upon motion of Mr. Harding, seconded by Mr. Williams adopted:

RESOLVED, that it is the judgment of the Federal Reserve Board that in acquiring a bank building or in the purchase of a site and construction of a new building, the Federal Reserve Bank of Richmond should not exceed, for site, building, vaults, that is to say, a complete building ready for the occupancy of the bank, an expenditure of \$400,000.

It was directed that a copy of this resolution be sent to the Federal Reserve Bank of Richmond.

The Secretary read a letter from the Federal Reserve Agent at Boston, dated July 12, stating that he had not been asked to report upon the applications for charter of the Back Bay National Bank or the Roxbury National Bank and was authorized to call the attention of the Agent to the general instructions upon this subject.

Opinions of Counsel suggested for use in the Federal Reserve Bulletin were referred to the Committee on Law.

The by-laws of the National City Bank, covering foreign branches, submitted at the request of the Board were presented with a memorandum from Counsel suggesting that the bank be requested to furnish the Board with copies of financial statements made by such branches. The

Secretary was directed to prepare a letter to the bank making the request.

Favorable action was, upon the recommendation of the Committee on Issue and Redemption, taken upon the request of the Federal Reserve Agent at Kansas City for \$500,000 in Federal reserve notes of the \$5 denomination and \$480,000 in Federal reserve notes of the \$20 denomination.

Upon recommendation of Mr. Delano the following recommendations of the Board of Directors of the Federal Reserve Bank of New York, transmitted in a letter dated July 15, 1916, were approved by the Board:

1. That Mr. R. H. Treman give a bond as Deputy Governor in the sum of \$10,000.

2. That during the absence of Federal Reserve Agent Jay the compensation of Deputy Federal Reserve Agent Peabody be fixed at \$25.00 per day or any part thereof, plus his expenses for such days as he may be at the bank in the discharge of his duties as Deputy

Federal Reserve Agent, this to be in addition to his fee as a director of the bank.

Attention was called to the recommendation of the Committee on Audit and Examination as to recommendations of the Comptroller of the Currency for the approval by the Board of salaries of National bank examiners contained in its report of July 7, 1916, and the Secretary was directed to send a copy of the report to the Comptroller of the Currency.

Favorable action was, upon recommendation of Mr. Harding, taken upon the application of the Federal Reserve Bank of Cleveland to purchase, (1) \$180,000 loan of the city of Covington, Kentucky, maturing January, 1917, bearing interest at 4%, and (2) \$2,000 bonds of the billage of Oberlin, due August 1, 1916, at par and accrued interest.

Upon recommendation of Mr. Delano the recommendations of the Federal Reserve Agent at

Dallas that the salary of his assistant, Mr. C. C. Hall, be increased from \$2,400 to \$2,500 per annum, and a salary of \$1,200 per annum be authorized for his Secretary, Mr. R. D. Thurston, were approved.

Application for 240 shares of stock in the Federal Reserve Bank of Dallas by the City National Bank of Shreveport, Louisiana, were approved by Mr. Harding as Chairman of the Committee on Member and State Banks.

Applications for additional 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.

First National Bank	Utica, N. Y.	150
First National Bank	Amityville, N.Y.	3
First National Bank	Harrisville, N.Y.	2
National Bank of	Port Jervis, N.Y.	1
First National Bank	Lisle, N. Y.	1
First National Bank	Lisle, N. Y.	1

DISTRICT No. 5.

First National Bank	Brunson, S. C.	7
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District No. 5. (Continued)

Shares.

Grayson County Nat'l Independence, Va. 6

DISTRICT No. 6.

Gadsden Nat'l Bank	Gadsden, Ala.	1
First National Bank	Gadsden, Ala.	9
First National Bank	Fayette, Ala.	2
First National Bank	Athens, Ala.	1
First National Bank	Luverne, Ala.	2
First National Bank	Lakeland, Fla.	2
National Bank of Commerce	Pensacola, Fla.	6
First National Bank	Perry, Fla.	1
Citizens National	Athens, Tenn.	1
First National Bank	Russellville, Tenn.	2
First National Bank	Fitzgerald, Ga.	3

DISTRICT No. 9.

First National Bank	Aitkin, Minn.	3
Merchants Nat'l Bank	Detroit, Minn.	3
First National Bank	Wells, Minn.	15
First National Bank	Cooperstown, N. Dak.	6
First National Bank	Fessenden, N. Dak.	6
Oakes National Bank	Oakes, N. Dak.	1
First National Bank	Washburn, N. Dak.	3
Home National Bank	Dell Rapids, S. Dak.	1
First National Bank	Highmore, S. Dak.	15
First National Bank	Hobson, Mont.	1
First National Bank	Mondovi, Wis.	18

DISTRICT No. 11.

First National Bank	Tishomingo, Okla.	15
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District No. 11. (Continued) Shares.

First National Bank	Stanton, Texas	3
City National Bank	Temple, Texas	15
City National Bank	Wichita Falls, Texas	30

Applications for surrender of 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. 11. Shares.

First National Bank	Killeen, Texas	36
First National Bank	Rockport, Texas	15

Attention was called to an opinion of Counsel as to salaries of bank examiners, said opinion being given at the request of the Board dated June 30, 1916 and this was authorized to be circulated.

Reductions of capital were, upon the recommendation of Mr. Harding, authorized as follows:

Caddo National Bank, Caddo, Oklahoma,	\$10,000.
National Kittanning Bank, Kittanning, Pennsylvania -	\$100,000.

On motion of Mr. Delano the following resolution, relative to the collection of checks under the clearing and collection plan through the assistance of postmasters was without dissent adopted:

WHEREAS, it is necessary and desirable to facilitate the collection of checks presented through member banks but drawn on non-member banks, especially in cities and towns where there may be no member banks to act as collection agencies; now therefore be it

RESOLVED, that the Honorable Secretary of the Treasury, Chairman of this Board, be officially requested to present to the Honorable Postmaster General the desire that the Honorable Postmaster General shall authorize postmasters to receive checks from Federal Reserve Banks drawn upon State banks non-members of the Federal Reserve System; that they be requested to collect these checks in currency and remit the currency to the Federal Reserve Bank by registered mail; the Federal Reserve Bank of the District to pay all expenses for postage and registration fees upon funds thus remitted.

The question involved in the request of Mr. Percy S. Straus, for permission to serve as a director of the Second National Bank of

New York and as a member of the firm of R. H. Macy and Company, the latter firm conducting a depositors account department, was, after consideration, ordered referred to Mr. Cotton for his consideration.

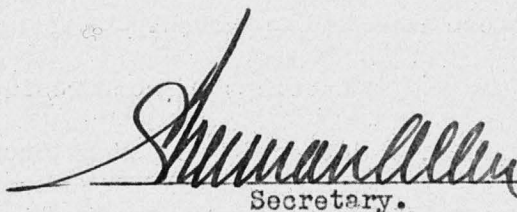
The question of a definition of improved farm lands, raised by the Governor of the Federal Reserve Bank of Minneapolis and submitted to Counsel, was referred back to Counsel for further consideration.

Governor Hamlin presented an opinion of Counsel to the effect that the form of authority given to a bank applying to accept up to 100% of its capital and surplus governed the question whether the authorization covered increases thereof.

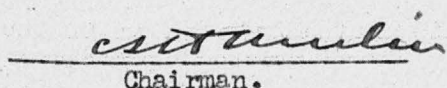
Mr. Harding was authorized to arrange with the Federal Reserve Agent at Dallas for the performance of the agents duties during his vacation.

Mr. Delano reported briefly the substance of reports received from Federal reserve banks with the exception of Philadelphia as to the opening of the clearing plan and a statement to the press, prepared by him, was approved.

At 1:15 p. m., the Board adjourned to meet on Thursday, July 20.


Secretary.

APPROVED:


Chairman.