

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:10 a. m., on Friday, July 28,

PRESENT:

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

The minutes of July 25th and 26th were read and approved.

Consideration was given to the order issued by the Postmaster General at the request of the Board under which postmasters may cooperate in the collection of checks from nonmember banks under the clearing and collection plan. After the consideration of various obstacles in the way of this proposal the Board approved a letter to the Postmaster General asking that the order be suspended until the Federal reserve banks can perfect the necessary arrangements with surety

companies for blanket insurance covering such postmasters as may be requested to act under the plan. The issuance of a statement to newspapers covering the action contained in the letter was referred to the Committee on Clearings.

Mr. McAdoo suggested to the Board the consideration of such amendments as may be necessary to give the Board additional powers in connection with the clearing and collection of checks, and this question was referred to the Committee on Clearings.

Governor Hamlin was authorized to communicate with Senator Simmons and Representative Kitchin and state to them the action taken relative to the postponement of the collection of checks with the aid of postmasters. He later in the meeting reported that this had been done.

Mr. Elliott presented a statement to be issued by the Board in connection with the as-

assertion of Mr. T. H. Dickson, Secretary of the Conference of Bankers at St. Louis, to the effect that the Federal Reserve Board will regard a suit brought to test the legality of the check collection plan, in a friendly light. The letter was approved by the Board and ordered to be incorporated in the August Bulletin.

Governor Hamlin presented a request from a bank at La Crosse, Wisconsin, submitted through Senator Husting, that the Board postpone until a later date than August 8th the hearing of the Wisconsin and northern Michigan banks. The Board voted to adhere to the date already designated.

Attention was called to a letter from the Federal Reserve Agent at Boston, recommending against the granting of a charter to a new national bank in Cambridge, Mass., probably to be located at Kendall

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Square. This was referred to the Comptroller of the Currency.

A telegram from the Federal Reserve Agent at Dallas was presented, recommending the appointment of Mr. L. L. Jester as Acting Assistant to the Federal Reserve Agent at Dallas during his vacation, with compensation at the rate of \$25 per day. This was approved by the Board.

Attention was called to a letter from the Federal Reserve Bank of Richmond, stating the purchase by that bank of a site for a building at the corner of Ninth and Franklin Streets at a cost of \$122,500. This was noted and ordered to be acknowledged.

The Board voted to establish for the present, and in the absence of a specific request from any Federal reserve bank, twenty-five per cent of the paid-in capital of the bank as the limit to which it may receive for discount

bills, etc., with a maturity of more than three but less than six months, drawn or issued for agricultural purposes or based on live stock.

A report of the Committee on Staff, dated July 28, making the following increases in the salaries of three Federal Reserve Agents, was approved by the Board:

Mr. John H. Rich, Minneapolis,
From \$7,500 to \$9,000 per annum,
From August 1, 1916.

Mr. M. B. Wellborn, Atlanta,
From \$7,500 to \$9,000 per annum,
From October 1, 1916.

Mr. William F. Ramsey, Dallas,
From \$8,000 to \$9,000 per annum,
From October 1, 1916.

A report of the Committee on Staff, recommending that a certification from the list of women on the eligible list for messengers be made to the Comptroller of the Currency to fill the vacancy in the Division of Issue due to the resignation of Miss Barnard, the ap-

pointment to be at \$70 per month and date from August 1, 1916, was approved.

Upon favorable report of Mr. Delano the Board authorized the Federal Reserve Bank of Cleveland to take a loan of \$180,000 of the City of Lexington, Kentucky, to run from August 1, 1916, to January 15, 1917, interest at four per cent.

On recommendation of the Federal Reserve Agent at Atlanta, approved by Mr. Harding, Mr. James E. Zunts, a Class "C" Director at the New Orleans branch of the Federal Reserve Bank of Atlanta, was named as Deputy Chairman of the Board, New Orleans Branch.

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. 9. | Shares |
|---------------------|-------------------|
| First National Bank | Scobey, Mont. 16 |
| First National Bank | Brandon, Minn. 21 |

DISTRICT No. 9 (Continued) Shares

| | | |
|------------------------|--------------|----|
| Citizens National Bank | Bristol,N.D. | 17 |
| First National Bank | Ashley,N.D. | 18 |

DISTRICT NO. 10.

| | | |
|---------------------|--------------|----|
| First National Bank | Erick, Okla. | 18 |
|---------------------|--------------|----|

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. 2. Shares

| | | |
|------------------------|-------------------|-----|
| Seacoast National Bank | Asbury Park,N.J. | 105 |
| Peoples National Bank | Westfield,N.J. | 48 |
| Bound Brook Nat'l. Bk. | Bound Brook, N.J. | 36 |
| First National Bank | Tonawanda, N.Y. | 300 |

DISTRICT No. 6.

| | | |
|-----------------------|-------------------|----|
| First National Bank | Tallahassee, Fla. | 36 |
| Cherokee National Bk. | Rome, Ga. | 78 |

On recommendation of the Committee on Member and State Banks the application of the Peoples Bank of Sardis, Georgia, for membership in the Federal Reserve system, was disapproved.

Mr. Harding presented a letter to him from the Equitable Life Assurance Society stating the writing of group insurance by that Society on the officers and employes of the Federal Reserve Bank of New York, effective July 20th, and on motion of Mr. Harding it was voted that the matter of obtaining such insurance for the staff of the Federal Reserve Board be reopened and the action of the New York bank considered in its application to the Federal Reserve Board, the whole matter to be referred to the Committee on Staff for investigation and report.

Authorization was given to the Federal Reserve Agent at Atlanta to take his vacation during the month of August, Col. Edward T. Brown, Deputy Chairman, to be in charge of his office during that period.

The Board ordered to be filed correspondence with the National Association of

Credit Men as to the use of trade acceptances.

The correspondence suggested an amendment to the Federal Reserve Act.

Upon the recommendation of the Deputy Governor of the Federal Reserve Bank of New York it was voted to approve the acceptance by the New York bank of statements furnished to it by Hallgarten and Company, New York, in order that the acceptances of this firm might become eligible for purchase by the New York bank.

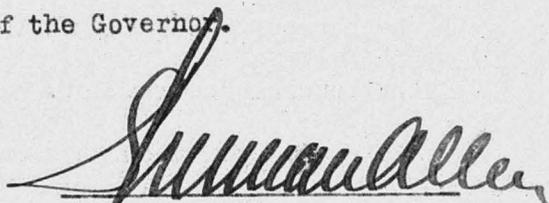
A press statement announcing the hearing of Wisconsin and northern Michigan banks on August 8th was authorized.

Upon the recommendation of the Federal Reserve Bank of New York, approved by Mr. Delano, the Corn Exchange Bank was authorized to accept drafts and bills under the Federal Reserve Act to one hundred per cent of its capital and surplus.

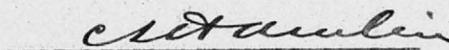
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Adjournment was at 12:45 p. m.,
subject to call of the Governor.


Secretary.

APPROVED:


Chairman.