

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Governor of the Board at 11:00 a. m., Tuesday, August 8,

PRESENT:

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

The resignation of Mr. George W. Norris as Class "C" director, Federal Reserve Bank of Philadelphia, submitted because of his appointment to the Federal Farm Loan Board, was accepted with regret, effective August 5, 1916.

The report of the assistant to the Federal Reserve Agent at Kansas City on the charging of interest by the Kansas City Clearing House was referred to Mr. Harding, with the request that he report upon the matter at the next full meeting of the Board.

A letter from the Federal Reserve Bank of New York, stating the increase of salaries of employes of that bank by approximately one per cent and the taking out of insurance with the Equitable Life Assurance Society for which this increase was used as payment, was presented and referred to the Committee on Staff with power to consult Counsel.

A statement of the condition of branches of the National City Bank of New York, filed at the request of the Board, was referred to the Committee on Audit and Examination, the statement also to be shown to Mr. Williams.

Three memoranda of Counsel were presented, as follows:

(1) As to the note of the Chautauqua Institute held by the Federal Reserve Bank of New York.

(2) As to the bill of A. A. Vantine

and Company, drawn on itself by its Mitsui branch.

(3) A letter from Federal Reserve Agent Curtiss as to perforated endorsement slips.

The Secretary was directed to hold these for a full meeting of the Board.

Authority was given to the Caddo National Bank, Caddo, Oklahoma, to reduce its capital stock from \$50,000 to \$25,000.

A letter from the First National Bank of Morrisonville, Illinois, requesting transfer from the Chicago to the St. Louis district, was ordered to be held for action at a full Board meeting.

Favorable action was taken, upon the recommendation of Mr. Harding and Mr. Williams, on the request of the South Texas Commercial National Bank of Houston to accept to 100% of its capital and surplus.

The Secretary was directed to hold

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a proposed letter to Federal Reserve Agents as to permission to accept to 100% under the Act, to be passed upon at a full Board meeting.

Favorable action was taken, upon the recommendation of Mr. Harding and Mr. Williams, on the application of the Corsicana National Bank, Corsicana, Texas, for permission for fiduciary powers.

A letter from the First National Bank of Commerce, Hattiesburg, Mississippi, relative to the clearing of checks of State banks, was ordered to be held for a full Board meeting.

Mr. Williams moved that Governor Hamlin and Mr. Harding be authorized to prepare a resolution stating the judgment of the Board that all Federal reserve banks should make arrangements for immediate payment of checks where such payment is desired by member banks, and a compensating balance is kept. The matter

was referred to the committee named with power.

Mr. Harding reported that in the Sixth District several national banks were using checks "payable in New York Exchange at current rates." These, he stated, Counsel had held to be not negotiable. Mr. Harding reported a conference with Representative Glass, in which the latter had agreed the best way to care for the matter was to have the Board instruct Federal reserve banks to refuse to receive such checks. This was voted, with the understanding that Counsel should rule that such checks are not negotiable.

The Secretary reported the progress made in connection with the printing and sending out of the par lists.

At 11:35 a. m., the meeting adjourned.

APPROVED:

Shuman Allen
Secretary.

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Chairman.