

A meeting of the Federal Reserve Board was held in the Board Room at 11:10 A. M., Tuesday August 15, 1916,

PRESENT:

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

The minutes of the Board meeting July 28th, and the minutes of the Executive Committee meetings July 31st, August 3d, 10th (A.M. and P.M.) and 14th, were read and approved. The minutes of the hearings held on August 8th and 9th, in connection with the petition of Wisconsin and Michigan banks, were referred to Mr. Delano for approval.

The Secretary was directed to record in the minutes the designation of Hon W. P. G. Harding as Governor of the Board and the designation of Hon Paul M. Warburg as Vice Governor of the Board.

On motion of Mr. Hamlin, it was voted

to request the Committee on Clearing, Mr. Delano and Mr. Harding, to attend, at the expense of the Board, a conference of Governors on the subject of clearing, to be held in Boston on August 22d.

Approval was given to the request of the American National Bank, Fort Worth, Texas, for permission to accept to one hundred per cent of its capital stock and surplus, this being recommended by the Governor and Federal Reserve Agent at Dallas and approved by Mr. Harding and Mr. Williams.

Upon recommendation of Mr. Warburg, approval was given to the request of the Federal Reserve Bank of San Francisco to take \$40,000 Jordan School District, Salt Lake County, Utah, certificates of indebtedness, the total issue being \$88,000.

Upon motion of Mr. Hamlin, the Governor and Vice Governor of the Board were requested to attend, if possible, a meeting of the American Bankers' Association in Kansas City, September 23-25, at the expense of the Board.

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The question raised as to the immediate payment of checks by Federal Reserve Banks upon request, where a compensating balance is kept, and a letter from the First National Bank of Hattiesburg, Miss., relative to the clearing plan, were referred to the Committee on Clearing, to be discussed at the Boston Conference, if this was found desirable.

The request of the New Orleans Branch of the Federal Reserve Bank of Atlanta, transmitted by the Federal Reserve Agent at Atlanta, to reduce its commodity rate from $3\frac{1}{2}$ to 3 per cent was discussed, and referred to Governor Harding that he might take up the matter with the Federal Reserve Agent at Atlanta, raising the question of the desirability of decreasing the commodity rate at this time.

Approval was given to an increase in salary of a clerk in the Atlanta Bank from \$65 to \$75 per month.

The designation of Ogden, Utah, as a reserve city was referred to the Executive Committee, with the request for a report and recommendation to the Board.

A request for a ruling as to the discount by Federal Reserve Banks of bills of exchange which exempt the drawer from liability was referred to Counsel that he might submit an opinion to the Board.

It was voted not to circulate a request for contributions for Civil Service retirement, such circulation being in violation of the rules of the Board.

A letter to Federal Reserve Banks as to the final conversion date for United States 2 per cent bonds was referred to Governor Harding, with power.

The reassignment of members of the Board to its committees was referred to the Executive Committee for report to the Board.

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A request from "The Nation's Business" for answers to questions upon which they desire to prepare an article was referred to the Governor, with power.

The opinions of Counsel for release in the September Bulletin were referred to the Committee on Law.

A letter prepared by Counsel to Lee, Higginson & Co., Boston, was referred to the Law Committee. In this connection, Mr. Hamlin suggested that the Committee ask the Interstate Commerce Commission whether the merchandise described in the letter would take the full import rate.

There was discussion of a letter to Federal Reserve Agents, instructing them as to applications from member banks desiring to accept to 100%, at the close of which the matter was referred to the Law Committee.

A from of consent under the Kern amendment to the Clayton Act was referred to

Mr. Warburg and Mr. Hamlin for recommendation.

Mr. Hamlin was requested to accept an invitation to address the Ohio Bankers' Association at a meeting to be held on September 13th, the trip to be undertaken at the expense of the Board.

On motion of Mr. Delano, Chairman of the Committee on Staff, approval was given to an increase of 1% in the salaries of the Federal Reserve Bank of New York, the same to be applied to the purchase of insurance upon officers and employees of the Bank, this approval being given contingent upon favorable opinion of Counsel in the matter.

There was discussion of the situation of amendments to the Federal Reserve Act, and particularly as to that permitting the issuance of notes against gold, and the matter of amendments was left in the hands of Governor Harding.

Mr. Williams presented a statement of

figures shown by the abstract of the last Comptroller's call, June 30th, which had been prepared but not yet given to the press.

Mr. Hamlin stated his desire to be absent upon vacation from August 17th until August 28th.

Applications for stock in Federal Reserve Banks were approved as follows:

<u>DISTRICT No. 5.</u>	Shares.
Bishopville National Bank, Bishopville, S. C.	67
<u>DISTRICT No. 9.</u>	
Winona Nat'l. Bk. Winona, Minn.	75
<u>DISTRICT No. 11.</u>	
First National Bk. Moran, Tex.	8
Total	<u>150</u>

Applications for surrender of stock in Federal Reserve Banks were approved, as follows;

<u>DISTRICT No. 2.</u>	Shares.
Ashokan Nat'l. Bk. Brown Station, N. Y.	24.

DISTRICT No. 3.

Shares.

Citizens National Bk.	Towanda, Pa.	17	
Bank of North America,	Philadelphia, Pa.	270	
Second National Bank,	Mechanicsburg, Pa.	3	
First National Bank,	Hegins, Pa.	2	
Lehigh Valley National Bk.	Bethlehem, Pa.	20	
Farmers National Bank,	Mullica Hill, N.J.	2	314

DISTRICT No. 4.

First National Bank,	Roscoe, Pa.	5	
Bank of Maysville, N.B.Assn.	Maysville, Ky.	70	
Morrow National Bank,	Morrow, Ohio	1	
First National Bank,	Miamisburg, Ohio	90	
Midway National Bank,	Midway, Pa.	6	
First National Bank,	New Salem, Pa.	6	
Punxsutawney Nat'l. Bk.	Punxsutawney, Pa.	30	
First National Bank,	Masontown, Pa.	9	
First National Bank	Jackson, Ky.	30	
Catlettsburg Nat'l. Bk.	Catlettsburg, Ky.	12	
First National Bank,	Prestonsburg, Ky.	3	
Lincoln County National,	Stanford, Ky.	15	277

DISTRICT No. 6.

First National Bank,	Spring City, Tenn.	21	21
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DISTRICT No. 7.

First National Bank,	Marshalltown, Ia.	5	
National Bank of Waupun,	Waupun, Wis.	9	
First National Bank,	Aurora, Ind.	2	16

DISTRICT No. 8.

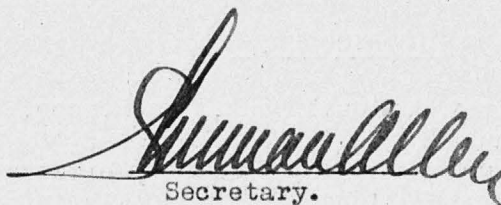
First National Bank,	Sturgis, Ky.	17	17
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DISTRICT No. 12.

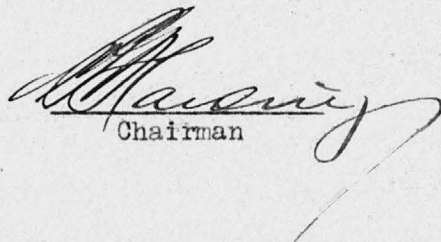
Shares.

First National Bank,	Merced, Cal.	75	
First National Bank,	Emmett, Idaho.	<u>17</u>	<u>92</u>
	Total		<u><u>761</u></u>

At 12:40 the meeting adjourned, subject
to call.


Secretary.

APPROVED:


Chairman