

At an adjourned meeting of the Federal Reserve Board held in the office of the Board at 3:00 P. M. on Thursday, October 12, 1916,

PRESENT:

Governor Harding, presiding, Mr. Hamlin,
Mr. Warburg, Mr. Miller,
Mr. Williams, Mr. Delano.
Mr. Willis, Secretary.

On motion it was voted that the expense of the recent trip made by Mr. Delano from Chicago to St. Louis and return on Board business should be defrayed by the Board.

The status of the directors of the National Bank of Commerce and the Central Trust Company of New York having been presented it was on motion voted that Mr. James N. Jarvie be permitted to serve as director of the National Bank of Commerce and the Central Trust Company. The vote stood as follows:-

AFFIRMATIVE: Mr. Harding, Mr. Delano, Mr. Miller.

NEGATIVE: Mr. Williams, Mr. Hamlin.

NOT VOTING: Mr. Warburg.

The Secretary of the Board read the minutes of the meeting of the Committee of the Board on the Clayton Act

held on October 12, 1916 and after discussion the minutes were adopted and the action of the Committee ratified, the vote standing as follows:-

AFFIRMATIVE: Mr. Harding, Mr. Hamlin, Mr. Delano, Mr. Warburg, Mr. Miller.

NOT VOTING: Mr. Williams.

It was understood that in the case of all the directors acted upon in connection with these minutes wherever there was any possibility of a given director being a private banker that due notification should be sent that the action of the Board in approving his application to continue a director was based upon the assumption that he was not a private banker and so, not subject to the prohibition of the law.

The report of the Committee relating to the appeal of certain Wisconsin banks for transfer to the Chicago District having been presented it was on motion voted to adopt the report, the same to be effective on January 1, 1917, the parties in interest to be notified by wire and the facts in the case to be given to the press on Friday morning.

The Secretary of the Board presented certain discount rate notices for the week, no change being asked for.

A letter from Mr. George M. Reynolds, regarding the case of Mr. B. A. Eckart, of Chicago, a director in the Continental and Commercial National Bank and the Harris Trust & Savings Bank, was taken up and after discussion referred to Counsel for an opinion.

On motion the action of the Board of Directors of the Federal Reserve Bank of Cleveland in raising the salary of Governor E. R. Fancher in the amount of \$2,000 per annum was approved.

On motion the action of the Executive Committee during the past week in authorizing and sending out Federal Reserve notes in response to applications from various Federal Reserve banks was approved as follows:-

ATLANTA, - \$1,000,000 in 10's.

ST. LOUIS, - \$1,000,000 in 10's and
960,000 in 20's

RICHMOND, - \$1,000,000 in 5's

On motion, applications for stock in Federal Reserve banks, duly recommended by the Committee on Member and State Banks, were approved as follows:-

DISTRICT NO. 2.

Shares.

| | | |
|----------------------|----------------|-------|
| Chase National Bank, | New York, N.Y. | 6,000 |
| First National Bank, | Wolcott, N.Y. | 3 |

DISTRICT NO. 2 continued.

Shares.

| | | |
|------------------------------|-------------------------|-------|
| First National Bank, | Westwood, N. J. | 4 |
| First National Bank, | Millburn, N. J. | 3 |
| Metuchen National Bank, | Metuchen, N. J. | 2 |
| Athens National Bank, | Athens, N. Y. | 6 |
| First National Bank, | Ballston Spa, N.Y. | 3 |
| Bridgehampton National Bank, | Bridgehampton, N.Y. | 1 |
| Cazenovia National Bank, | Cazenovia, N.Y. | 3 |
| Farmers National Bank, | Deposit, N.Y. | 2 |
| First National Bank, | Geneva, N. Y. | 15 |
| First National Bank, | Heuvelton, N.Y. | 2 |
| Manufacturers National Bank, | Mechanicville, N.Y. | 6 |
| Frontier National Bank, | Morristown, N.Y. | 1 |
| City National Bank, | Plattsburgh, N.Y. | 5 |
| First National Bank, | Richfield Springs, N.Y. | 3 |
| Otselic Valley Nat'l Bank, | South Otselic, N.Y. | 9 |
| Unadilla National Bank, | Unadilla, N. Y. | 1 |
| Total. | | 6,069 |

DISTRICT NO. 7.

| | | |
|----------------------------|-------------------------|----|
| First National Bank, | Nauvoo, Ill. | 1 |
| First National Bank, | Galesburg, Ill. | 30 |
| First National Bank, | Nappanee, Ind. | 6 |
| Bloomington National Bank, | Bloomington, Ind. | 1 |
| First National Bank, | Monterey, Ind. | 2 |
| Harlan National Bank, | Harlan, Iowa. | 1 |
| First National Bank, | Woodbine, Iowa. | 3 |
| Live Stock National Bank, | Sioux City, Iowa. | 24 |
| First National Bank, | Strawberry Point, Iowa. | 1 |
| Iowa National Bank, | Ottumwa, Iowa. | 3 |
| Commercial National Bank, | Madison, Wis. | 1 |
| Total. | | 73 |

DISTRICT NO. 9

| | | |
|----------------------------|----------------------|---|
| United States National Bk. | Deer Lodge, Mont. | 1 |
| First National Bank, | Bridgewater, S.D. | 3 |
| First National Bank, | Henry, S. D. | 2 |
| City National Bank, | Huron, S. D. | 2 |
| First National Bank, | Veblen, S. D. | 1 |
| First National Bank, | Lake Norden, S. D. | 5 |
| First National Bank, | Sentinel Butte, N.D. | 2 |
| Union National Bank, | Minot, N. D. | 3 |
| Milnor National Bank, | Milnor, N. D. | 1 |
| First National Bank, | Hunter, N. D. | 1 |

DISTRICT NO. 9 continued.

Shares.

| | | |
|----------------------------------|------------------|----|
| Grafton National Bank, | Grafton, N.D. | 6 |
| First National Bank, | Egeland, N.D. | 1 |
| First National Bank, | Chaska, Minn. | 1 |
| First National Bank, | Deerwood, Minn. | 1 |
| First National Bank, | Adams, Minn. | 6 |
| Merchants National Bank, | St. Cloud, Minn. | 2 |
| Blue Earth Valley National Bank, | Winnebago, Minn. | 1 |
| Farmers National Bank, | Waseca, Minn. | 3 |
| First National Bank, | St. Cloud, Minn. | 48 |
| First National Bank, | Nashwauk, Minn. | 1 |
| First National Bank, | Eveleth, Minn. | 1 |
| First National Bank, | Alden, Minn. | 1 |
| First National Bank, | Baldwin, Wis. | 1 |
| First National Bank, | Ronan, Mont. | 1 |
| First National Bank, | Libby, Mont. | 1 |
| Total, ---- | | 96 |

DISTRICT NO. 11.

| | | |
|----------------------|----------------------|-----|
| First National Bank, | Elida, N. Mex. | 3 |
| State National Bank, | Albuquerque, N. Mex. | 30 |
| First National Bank, | Winfield, Texas. | 1 |
| First National Bank, | Tohoka, Texas. | 2 |
| First National Bank, | Sonora, Texas. | 9 |
| Groos National Bank, | San Antonio, Tex. | 6 |
| Frost National Bank, | San Antonio, Tex. | 30 |
| First National Bank, | Rotan, Texas. | 21 |
| First National Bank, | Paducah, Texas. | 15 |
| First National Bank, | Baird, Texas. | 1 |
| First National Bank, | Olney, Texas. | 5 |
| Elgin National Bank, | Elgin, Texas. | 9 |
| Total, ---- | | 132 |

The minutes of the Committee on Member and State Banks, covering action taken in reference to applications for power to exercise fiduciary functions, were read to the Board and on motion approved, action thereby being ratified as follows:-

The application of the Victoria National Bank, of Victoria, Texas, for permission to act as trustee, executor, etc., was approved to enable the bank to take care of certain specific trusts, permanent approval being withheld pending the receipt of report of another examination of the bank.

The application of the First National Bank of Worland, Wyoming, for permission to act as trustee, executor, etc., was approved, on condition that the cashier and bookkeepers furnish bonds.

The following applications for permission to act as trustee, executor, administrator and registrar of stocks and bonds, were approved:-

| | |
|------------------------------|---------------------|
| Peoples National Bank, | Zelienople, Pa. |
| Barnett National Bank, | Jacksonville, Fla. |
| Merchants National Bank, | Savannah, Ga. |
| First National Bank, | Batesville, Ind. |
| First National Bank, | Cranbury, N. J. |
| First National Bank, | Logansport, Ind. |
| National Bank of New Jersey, | New Brunswick, N.J. |
| Boone County National Bank, | Columbia, Mo. |
| First National Bank, | Brazil, Ind. |

The following application for permission to act as trustee only, was approved:-

| | |
|----------------------|----------------------|
| First National Bank, | Elizabeth City, N.C. |
|----------------------|----------------------|

The following applications for permission to act as registrar of stocks and bonds were approved:-

American National Bank, San Francisco, Cal.
Cayuga County National Bank, Auburn, New York.

The following application for permission to act as trustee, executor, and registrar, was refused:-

First National Bank of Findlay, Findlay, Ill.

The following applications to act as trustee, executor, administrator and registrar of stocks and bonds, were held, pending the receipt of report of subsequent examinations:-

| | | |
|-------------------------|--------------------------|---|
| National Exchange Bank, | Anderson, Ind. | |
| First National Bank, | Englewood, Chicago, Ill. | |
| First National Bank, | Cambridge City, Ind. | -(until surplus equals 20% of capital.) |
| First National Bank, | Birmingham, Mich. | (equals 20% of capital.) |
| Citizens National Bank, | Martinsville, Ind. | (capital.) |

The following application for permission to act as trustee, executor and administrator was held, pending receipt of another report of examination:-

American National Bank, Austin, Texas.

A letter from Federal Reserve Agent Perrin, with reference to the organization of the Farmers & Merchants National Bank of Nampa, Idaho, was read and on motion referred to the Comptroller of the Currency.

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A letter from Mr. J. E. Gardin, with reference to drafts drawn to furnish dollar exchange, and the Governor's reply thereto, were read and the Governor's reply adopted as action of the Board.

A telegram from Federal Reserve Agent Jay, with reference to long credits on hides, was read, as well as the reply of the Governor relating thereto, the matter being likewise approved.

The form of statement submitted by Ladenberg, Thalman & Company having been presented, was approved, the Governor being requested to call attention to one or two points of possible criticism.

A letter from the Federal Reserve Bank of Kansas City with reference to the acceptance of short weight gold in reserves was read and it was agreed that the matter be left to the judgment of the Kansas City Bank.

A letter from Federal Reserve Agent Rich, with reference to the First National Bank of Hinsdale, was read and the contents noted.

A letter from J. F. Curtis, Counsel of the Federal Reserve Bank of New York, with reference to bills of exchange drawn in good faith, was referred to the Law Committee with power to act. //

A letter from Federal Reserve Agent Austin, with reference to special permission for Joseph Moore, Jr., to serve on certain directorates, was read and contents noted.

A program in connection with the examination of member and State banks, prepared by Chief of Division Broderick and favorably reported by the Committee on Member and State Banks, was, on motion, approved by the Board.

The Governor of the Board presented a letter from Federal Reserve Agent Wills with reference to the collection of warrants of the city of Toledo.

A letter from Federal Reserve Agent Martin as to the desire of Louisville bankers for the establishment of a branch of the Federal Reserve Bank of St. Louis, was read and on motion referred to the Committee on the operation of the St. Louis District.

A letter from Federal Reserve Agent Jay, relative to the service of Mr. J. D. Fairchild on the National City Bank and the Kings County Trust Company was presented. On motion it was voted to permit Mr. Fairchild to serve on these two directorates.

Read of a letter from

The Board was informed of slight changes made by the Comptroller of the Currency in the form of weekly note reports.

On motion the status of directors of the Merchants & Mechanics National Bank of New York was referred to Counsel for report.

On motion a memorandum prepared by Counsel and stating the position of the Board with reference to preferential voting for directors, was approved.

On motion at 5:40 P. M. the Board adjourned.

H. Parker Willis
Secretary.

APPROVED:

Chairman.