

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Vice Governor on Thursday, June 7, at 12, noon, present,

Mr. Warburg, Mr. Miller,

Mr. Delano, Mr. Willis, Secretary.

A telegram from Federal Reserve Agent Perrin with reference to the appointment of directors and manager of the branch of the Pacific Northwest, was presented and discussed. On motion, Mr. Miller was authorized to telegraph Mr. Perrin stating that the Board desires to postpone action for the present until the status of the amendments to the Federal Reserve Act, now pending in Congress, is more fully known, but adding that in case much delay should occur, the Board would be inclined to grant authority to proceed, although it desires to know positively that the State banks in the Pacific Northwest will apply for membership in the system in any event.

The Secretary of the Board presented discount rate sheets from the various banks, all continuing the present rates, with the exception of the Federal Reserve Bank of Philadelphia, which proposed a rate of $3\frac{1}{2}\%$ on 15 day paper, and the Federal Reserve Bank of Philadelphia which proposed

a rate of $3\frac{1}{8}\%$ on 90 day paper secured by Government obligations, under the Board's recent circular. On motion, it was voted to approve both of these rates, the Secretary to wire approval.

Letters from Federal Reserve Agents Ramsey and Sawyer with reference to the proposed treatment of paper growing out of rediscounts between Federal reserve banks, were read and noted, but no action taken.

A letter from Federal Reserve Agent Jay with reference to the form of clearing house settlements in New York, was presented and noted.

On recommendation of the Chief of the Division of Audit and Examination, it was voted to accept the examination of State banks in North Dakota made by State authorities.

Dispatches from the Pompeian Company of Baltimore, addressed to the Treasury and War Departments with reference to Government control of foreign exchange, were presented and ordered filed.

The application of the Anglo and London National Bank of San Francisco for power to invest a sum of \$250,000 in the Mercantile Bank of the Americas, a foreign trade bank, was referred to the Committee on Investments.

An application from the Omaha Clearing House Association for the establishment of a branch bank of the Federal Reserve Bank of Kansas City, was, on motion, referred to Mr. Delano as Chairman of the Committee on Operation of the Kansas City Bank.

An application by the Federal Reserve Bank of Philadelphia for power to declare a dividend of 6% for the period from July 1, 1915, to March 31, 1916, was referred to the Committee on Audit and Examination.

An application from the St. Joseph's Valley Bank of Elkhart, Indiana, for admission to the system, was, on motion, referred to the Committee on Member and State Banks.

A letter from Federal Reserve Agent Perrin with reference to the desirability of the appointment of a field representative in the Twelfth District, was read and noted.

Applications for membership, previously approved by the Committee on Member and State Banks, were approved as follows:

The German Savings Institution, of St. Louis, Mo.

The Jefferson Commercial and Savings Bank of
Gretna, La.,

both upon conditions established by the Committee. This

action was taken by the Executive Committee in view of the fact that the Federal Reserve Bank of St. Louis had telegraphed asking for action in the matter and that Governor Harding had already previously approved both applications, and had asked to be recorded in favor of them.

Changes in capital stock of Federal reserve banks, duly recommended by the Committee on Member and State Banks, were approved as follows:

| | <u>Additional Stock.</u> | | |
|------------------------|--------------------------|---|----------|
| <u>District No. 4.</u> | | | Shares |
| Southern National Bank | Richmond, Ky. | 1 | 1 |
| <u>District No. 5.</u> | | | |
| First National Bank | Waverly, Va. | 4 | <u>4</u> |
| | Total | | 5 |

Applications for Surrender of Stock.

| | | | |
|------------------------|-----------------|----|-----------|
| <u>District No. 6.</u> | | | |
| First National Bank | Ducktown, Tenn. | 18 | <u>18</u> |
| | Total | | 18 |

Applications for Original Stock.

| | | | |
|-------------------------|-----------------|-----------|-----------|
| <u>District No. 9.</u> | | | |
| First National Bank | Reserve, Mont. | <u>15</u> | 15 |
| <u>District No. 11.</u> | | | |
| First National Bank | Matador, Tex. | <u>20</u> | 20 |
| <u>District No. 12.</u> | | | |
| First National Bank | King City, Cal. | <u>18</u> | <u>18</u> |
| | Total | | 53 |

A letter from Governor Strong with reference to the question of counting as reserve \$50,000,000 probably to be received by the Federal Reserve Bank through the Bank of England as its Agent in London, and earmarked and held abroad as the property of the Federal Reserve Bank of New York, was read and discussion ensued with reference to the question of permitting a Federal Reserve Bank to count as reserves gold held by the Bank of England as its approved agent in foreign countries. It was informally agreed that Mr. Warburg draft a reply to Governor Strong with the intention of telegraphing its substance to Governor Harding and the Secretary of the Treasury in order to ascertain their position.

On motion at 1.30 p.m. the Committee adjourned.

APPROVED:

H. Parker Willis
Secretary.

Chairman.