At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:00 a. m. Tuesday, October 19,

PRESENT:

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

The minutes of the meeting of October 18, were read and approved.

On motion applications for fiduciary powers were, upon recommendation of the Committee on State Banks, acted upon as follows:

Granted:

First National Bank, Brandon, Vermont.

Placed on suspended list:

Victoria National Bank, Victoria, Texas.

On motion applications for stock in Federal reserve banks, duly recommended by Mr. Harding, were approved as follows:
On motion applications for the surrender of stock in Federal reserve banks, duly recommended by Mr. Harding, were approved as follows:

DISTRICT No. 1.

First Ward National Bank Boston, Mass. 210

DISTRICT No. 4.

First National Bank Dunbar, Pa. 3

The Secretary of the Board read a dispatch received from Chief of Division Broderick regarding the purchase of Georgia warrants by the Federal Reserve Bank of Atlanta. The dispatch was noted and ordered filed.

Mr. Delano called to the attention of the Board the question of the best method of disposing of
business now pending before the Board, and suggested the desirability of a review of such business for the purpose of determining what disposition is to be made of pending applications for redistricting, and other matters.

After discussion, it was on motion voted to refer the question of redistricting to a special committee consisting of Mr. Delano, Mr. Harding and Mr. Warburg, the Secretary of the Board to act as secretary of the committee.

On motion it was voted to refer all proposed and pending amendments to the Federal Reserve Act on which Board action or consideration is desired, to a special committee consisting of Mr. Delano, Mr. Miller and Mr. Warburg, it being understood that the special committee should act as a kind of clearing house for receiving and passing upon such proposed amendments.

On motion it was voted that during the present quarter (October - December) of 1915, Mr. Miller act as the third member of the Executive Committee of the Board. It was informally agreed that the duty of preparing a revised draft of the by-laws of the
Board should remain in the hands of the Executive Committee.

The Secretary was directed to prepare and distribute a revised list of the committees of the Board.

On motion a letter from Mr. Flournoy of Canton, Mississippi, inquiring the source of the Board's power over rates to be charged by member banks under the commodity rate circular, was referred to Mr. Harding with request that he prepare a reply for submission to the Board.

The Secretary of the Board read a letter from Mr. Albert Strauss of Seligman and Company, New York City, regarding an institution called the Mercantile Bank of the Americas, which had been established by his firm in conjunction with Brown Brothers and Company, making inquiry whether the Board intended to recommend that national banks be permitted to hold stock in such an institution or not. On motion the letter was referred to the special committee having charge of proposed amendments.

An opinion of Counsel regarding the power
of the Board over reports of examination of member banks, was presented to the Board, and on request a summary of its conclusions was read. On motion the report was referred to the special committee in charge of the examination question, with power to get further legal advice if desired. The Secretary was directed to distribute copies of the opinion to each member of the Board.

Mr. Warburg, to whom had been referred the letter of Governor Strong of New York regarding the policy to be pursued as to government bonds, reported a proposed plan of procedure with reference thereto, basing the same upon an opinion of Counsel in the matter.

On motion the following resolution on the subject was adopted:

"RESOLVED, That until further notice, in requiring Federal reserve banks to purchase United States bonds offered for sale by member banks under the provisions of Section 18, the Federal Reserve Board will not allot to any one Federal reserve bank in any one quarter more than one-fourth of its pro rata share of the bonds to be purchased during the calendar year under the provisions of this Section."
On motion the opinion of Counsel with reference to the bond question was approved, except in so far as it related to the question of re-application where member bank applications for the disposal of bonds had not been fully granted during the quarter in which they were originally made.

The Secretary of the Board was directed to frame a letter expressing this action of the Board and to transmit the same to the Conference of Governors as soon as possible.

The Secretary of the Board presented a letter from Federal Reserve Agent Perrin in connection with the application to organize the National Bank of Barstow, and calling attention to the fact that a twenty-day period of investigation is insufficient in the California district. It was informally agreed to lengthen the period from 20 to 30 days for that district, and the Secretary was directed so to inform Mr. Perrin.

The Secretary of the Board read a letter from Mr. Perrin with reference to details affecting the conduct of elections for directors. On motion
the letter was referred to Counsel, with request for an opinion.

On motion at 12:20 p.m. the Board adjourned to meet on Wednesday, October 20, at 11:00 a.m.

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Secretary.

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Chairman.

APPROVED: