

At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, October 27,

PRESENT:

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

Mr. Willis, Secretary

The minutes of the meeting of October 26 were read and approved.

The minutes of the meeting of October 20 were taken under advisement, modified and approved.

The Governor of the Board presented the report of the Committee of Transit Men of the several banks which recently met in Chicago, transmitted by the Board of Governors with their general approval.

The Governor of the Board presented a letter from Mr. J. B. Forgan of Chicago, notifying the Board of the statutory meeting of the Advisory Council to be held on November 15.

Both documents were received and ordered placed on file.

On motion the resignation of the Comptroller of the Currency as a member of the Committee on Audit and Examination, and as a member of the Committee on Issue and Redemption, was accepted.

Mr. Hamlin asked that Counsel of the Board be requested to prepare a complete file, including all opinions, memoranda, etc., prepared by his office from the beginning of its work up to January 1, 1916, and furnish one copy thereof to each member of the Board.

Mr. Hamlin presented to the Board the question of exercising a more formal type of control over the conditions under which opinions of Counsel are now asked for by members of the Board. The subject was discussed, and it was informally agreed that the Governor take it under advisement and report at the next meeting, in consultation with the Committee on Legal Matters.

(At this point Mr. Williams asked to be excused, and left the Board Room.)

On motion it was voted to correct the letter to reserve banks on open market operations - to be published in the forthcoming Bulletin - by inserting

the words "relating to bills of exchange," on the last page of the letter. //

Mr. Harding reported in favor of a proposed amendment to the by-laws of the New Orleans Branch of the Federal Reserve Bank of Atlanta, providing for business hours from 10:00 a. m to 3:00 p. m. each day except on Saturdays and holidays, and on Saturdays from 10:00 to 12:00 noon.

The report was adopted, and the Secretary directed to notify the Federal Reserve Bank of Atlanta to that effect.

The Secretary of the Board read a letter from Governor Strong of New York, under date of October 26, relating to a proposed change in the method of auditing the Gold Settlement Fund, whereby two persons will be appointed, one for the banks and one for the Federal reserve agents, to cooperate with the Board's auditor. On motion the plan was approved, and the Secretary directed to notify Mr. Strong to that effect.

A memorandum prepared by Chief of Division Broderick relative to demand acceptances and commodity

loans at Atlanta, having been read, was referred back to Mr. Harding for further consideration in conjunction with Counsel.

Mr. Hamlin read to the Board a draft of a letter to the cashier of the First National Bank of Canton, Mississippi, relating to the Board's power to establish rates for commodity paper. The letter was approved and ordered transmitted.

Mr. Warburg, to whom had been referred the opinion of Counsel relating to the power of Federal reserve banks to establish domestic agencies, reported in favor of suspending publication for the present.

The Secretary of the Board presented a letter from the Third National Bank of Union City, Union City, Tennessee, in regard to certain activities of a director of the Federal Reserve Bank of Atlanta against an extension of the clearing system. The letter was received and ordered filed.

The Secretary of the Board presented a report of the Comptroller of the Currency with reference to the question of disposing of the bonds of

the Mutual National Bank of Boston. It was voted that he write the Mutual National Bank in accordance therewith.

The Secretary of the Board presented a letter from Federal Reserve Agent Wellborn asking the deposit of \$1,000,000 in Federal reserve notes at the New Orleans Subtreasury. The matter was ordered referred to Mr. Miller.

The Secretary of the Board read a letter from Senator Owen presenting a recommendation of Mr. H. T. Douglas for appointment as deputy Federal reserve agent at Kansas City.

The Secretary of the Board presented a letter from the Comptroller of the Currency transmitting copies of replies from the attorneys general of the several States relative to rates of interest therein. The file was received and ordered tabulated.

The Secretary of the Board read a letter written by Mr. Warburg to Federal Reserve Agent Curtiss relative to a sight draft accepted by the Bemis Brothers Bag Company of Boston. On motion the letter was approved and its publication authorized.

The Secretary of the Board presented a letter from the Federal Trade Commission transmitting a letter from the Department of State, transmitting a letter from the American Ambassador to Chile, transmitting a letter from Mr. Fernando Stuardo asking for the establishment of a bank at Santiago, Chile. The letter was referred to Mr. Warburg with authority to take the matter up with Governor Strong of New York.

Mr. Harding reported informally to the Board, on behalf of himself and Mr. Delano, the result of a discussion he had had with the Comptroller of the Currency regarding the form to be given to the next report which national banks are to be asked to make.

Papers received from the Comptroller of the Currency, and letters accompanying them, relative to the Federal Trust Company of Boston, were ordered referred to Mr. Harding and Mr. Warburg for such action as they deem best.

Letters received from the Comptroller of the Currency relative to the committee organization of the

Board, were ordered filed pending further instruction.

On motion at 1:10 p. m. the Board adjourned  
to meet at 11:00 a. m. on Friday, October 29.

H. Parker Willis  
Secretary.

APPROVED:

Estlin  
Chairman.