

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:00 a. m. on Wednesday, November 17,

PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Williams Mr. Miller

Mr. Willis, Secretary.

The minutes of the morning and afternoon meetings of November 15 were read and approved, except in so far as related to the discussion of the question of redistricting. Pending further opportunity to examine the records with reference to this subject, formal approval of the minutes was deferred.

The minutes of the joint conference of the Board with the Federal Advisory Council on November 16, were presented by the Secretary, and on motion referred to Mr. Delano for examination and report.

Mr. Hamlin stated that the Rural Credits

Commission now in session at the Capitol, had asked him to appear before it and state the views of the Board on pending questions. It was informally agreed that he should appear, but that on any point requiring official expression of the opinion of the Board, the Rural Credits Commission should be asked to submit definite questions in order that a positive reply might be returned.

On motion an application for an issue of Federal reserve notes at Atlanta, duly recommended by the Committee on Issue and Redemption, in the amount of \$1,000,000, was approved as follows:

\$10 denomination	\$520,000
20 "	480,000

Mr. Delano offered a motion that the Committee on Redistricting be permitted to file a revised report in lieu of the report already presented to the Board. The Governor ruled that such action was permissible at any time the Committee not having been discharged.

Mr. Delano then gave notice that the committee would file an amended report.

Mr. Delano moved that the regular and special counsel of the Board should be requested to prepare as soon as possible a joint opinion relative to the powers of the Board in regard to the subject of redistricting and changing the number of Federal reserve banks; or if desired, that the counsel be requested to prepare separate opinions. The motion prevailed. The chairman of the Committee on Redistricting (Mr. Delano) was instructed to take the necessary steps to obtain such opinions.

The Secretary of the Board having asked for instructions regarding the form of statement to be made to the press with regard to reports appearing in the morning newspapers with reference to recommendations of the Advisory Council on November 15, was authorized to make a suitable statement, said statement to cover some of the chief recommendations of the Council, accompanied by the information that the Board had not considered or passed upon any of them.

The Secretary of the Board having presented the case of the Warren County National Bank of Belvidere, N. J., which had failed to take the necessary steps for transfer from the Philadelphia to the New York Federal Reserve Bank, it was on motion voted that the Federal Reserve Agent at Philadelphia be asked to return to the bank in question its capital and reserves, and that the Federal Reserve Agent at New York be requested to demand a proper application for stock and the transfer of the necessary reserves.

A report of the Committee on Staff, approving of the election of Mr. Edwin C. Baxter as cashier of the Federal Reserve Bank of Cleveland, and the establishment of the salary of Governor Fancher of Cleveland at \$18,000 per annum from and after November 1, 1915, was approved.

The Secretary of the Board having reported the result of the poll of banks of Louis-

iana with respect to transfer to the New Orleans Branch, which he was directed to make, the documents in the case were ordered referred to the Committee on Redistricting.

A report from Mr. Warburg, to whom had been referred the inquiry of Federal Reserve Agent Wills relative to the use of the proposed circular relating to the sale of bonds securing circulation, suggested by the Federal Reserve Bank of New York, was approved, and in accordance therewith, the Secretary was directed to recommend to Mr. Wills that he proceed in the same way as the Federal Reserve Bank of New York.

Pending reports relating to the reassignments of members to committees, and determination of action with reference to examiners' salaries, were laid on the table.

A draft of a letter to Mr. P. H. Saunders relative to open market operations at New Orleans, prepared by Mr. Miller, was approved, and the letter ordered transmitted accordingly.

Mr. Warburg, to whom had been referred a letter from Governor Strong, relating to the modification of the Board's circular on municipal warrants, reported the draft of a letter declining to waive the power of the Board in the premises. The letter was approved and ordered transmitted.

Mr. Warburg, to whom had been referred a letter of Governor Strong relating to the definition of bills of exchange, reported that no further action was necessary, the correspondence having been circulated.

Mr. Warburg, to whom had been referred a letter from Governor Strong, relating to banking conditions in Chile, reported that no further action was required for the present.

Mr. Warburg, to whom had been referred a proposed statement by Mr. C. E. McGuire relative to the credit situation in South America, reported that he had given certain suggestions to Mr. McGuire, and that no further action was called for by the Board.

Mr. Warburg, to whom had been referred the application of the Federal Reserve Bank of St. Louis for power to purchase warrants of Paducah, Kentucky, reported in favor of granting the permission requested. The report was adopted, and the Secretary ordered to notify the Federal Reserve Bank of St. Louis accordingly.

The Secretary of the Board having presented a letter from Chief of Division Broderick relative to the retention of directorships in State banks by Governor Wells of St. Louis, the matter was referred to Mr. Miller for investigation and report.

The Secretary of the Board having presented a letter from Assistant Secretary Malburn relative to the resumption of the issue of small gold certificates, the matter was referred to Mr. Delano and Mr. Warburg as a special committee, for report.

A letter from Federal Reserve Agent Wellborn, relative to methods of examining into

the character of paper rediscounted for member banks, was referred to Mr. Harding, and action deferred pending the return of Mr. Harding.

On motion at 1:10 p. m. the Board adjourned to meet on Friday, November 19, at 11:00 a. m.

H. Park Willis
Secretary.

APPROVED:

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Chairman.