

At a called meeting of the Federal Reserve Board held in the office of the Board on Wednesday, November 24, at 12:10 p. m.,

PRESENT:

Mr. McAdoo, presiding	Mr. Harding
Mr. Hamlin	Mr. Warburg
Mr. Williams	Mr. Willis, Secretary.

Mr. Elliott, Counsel of the Board, was authorized to state to inquirers that the opinion of the Attorney General relating to the power of the Board in redistricting had been filed and, if he chose, to add that another opinion on the same subject might possibly be asked for. The Secretary of the Board stated that in view of articles appearing in the daily press he thought it desirable to give the press at once the text of the Attorney General's opinion. It was agreed that the Secretary of the Treasury ask the Attorney General to make the opinion public at once. Subsequently it was learned that when once received, the recipient of such opinions was authorized to make them public

at his discretion and it was agreed that the Secretary of the Board make the opinion known to the press.

A letter from the Secretary of the Treasury designating Federal reserve banks as fiscal agents of the Government was read as follows:

TREASURY DEPARTMENT
WASHINGTON

November 23, 1915.

The Federal Reserve Board,
Washington, D. C.

Gentlemen:

In accordance with the provisions of Section 15 of the Federal Reserve Act, which provide that

"The moneys held in the general fund of the Treasury * * * may, upon the direction of the Secretary of the Treasury, be deposited in Federal reserve banks, which banks, when required by the Secretary of the Treasury, shall act as fiscal agents of the United States * * * ,"

I have determined to appoint the Federal reserve banks depositaries and fiscal agents

in the manner thus indicated by the Act. In order that the reserve banks may not be embarrassed by the addition of an unduly large volume of business upon undertaking their functions in this connection, I have decided to make a beginning by transferring to each of the Federal reserve banks the funds of the Government now on deposit with the national banks in each of the cities in which a bank is located, thus giving to each of the reserve banks the funds held by the national banks in its own city. Each Federal reserve bank will be required to perform on behalf of the Government the services which are now rendered by the national bank depositaries located in said cities, as well as any other services incident to or growing out of the duties and responsibilities of fiscal agents.

May I ask you to cooperate in carrying out the provisions of the Federal Reserve Act in this regard and to take any and all steps that may be desirable to perfect such arrangements by the Federal reserve banks as will enable them to fully and satisfactorily perform these functions from and after January 1, 1916, the date on which it is my purpose to make the proposed arrangements effective. I have designated Hon. William P. Malburn, Assistant Secretary of the Treasury in charge of the Fiscal Bureaus, to act for the Treasury Department in carrying out the details so far as this Department is concerned. I have deferred action until this time in order that the organization of the Federal reserve banks might be completed and gotten into good working order through experience and practice, and with the hope that a satisfactory clearing and collection system would,

by this time, have been evolved. I feel convinced, however, that I should not longer delay giving these banks the opportunity of performing these services for the Government and enlarging their field of usefulness.

Very truly yours,

W. G. McADOO,

Secretary.

The Secretary of the Board was directed to send a copy to each Federal Reserve Agent.

The Secretary of the Board read a letter addressed by Senator Vardaman to Governor Hamlin inquiring with reference to a certain report that the Board had arranged with the British Government to support the price of cotton. Upon motion the Governor and Mr. Harding were appointed a special committee to draft and send a letter on the subject, informing Senator Vardaman that the Board had had no negotiations of the kind.

The Secretary of the Board read a letter from Assistant Secretary Malburn, informing the Board that it would be necessary for the Treasury

to resume issuing 10 and 20-dollar gold certificates on account of demand for this currency. He was directed to answer the letter expressing the assent of the Board.

The Secretary of the Board having presented an application from the Farmers National Bank of Tishomingo, Oklahoma, for permission to reduce its capital in the sum of \$5,000, duly approved by the Federal Reserve Bank of Dallas and the Comptroller of the Currency and recommended by Mr. Harding as chairman of the committee on State Banks, the proposed reduction was on motion voted.

On motion applications for the issue of stock in Federal reserve banks aggregating 77 shares, duly recommended by Mr. Harding were approved as follows:

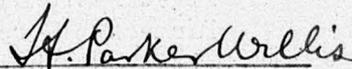
DISTRICT No. 2.		Shares.
Red Creek National Bank	Red Creek, N. Y.	13
Peoples National Bank	Pulaski, N. Y.	24
DISTRICT No. 10.		
Farmers National Bank	Hutchinson, Kans.	40

On motion the application of the Wharton National Bank of Wharton, Texas for surrender of 42 shares of stock, duly recommended by Mr. Harding was approved.

On motion a revised schedule of fees for directors, proposed by the Federal Reserve Bank of Atlanta and recommended by Mr. Harding was duly approved, the same being set forth in a letter and memorandum from Federal Reserve Agent Wellborn, under date of November 15.

On motion it was voted upon the recommendation of Mr. Harding that the certificate of the Comptroller of the Currency shall henceforth not be required on applications of member banks for additional stock.

On motion at 1:20 p. m. the Board adjourned to meet on Monday, November 29, unless sooner called by the Chairman.


Secretary.

APPROVED:

Chairman.