

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:15 a. m. on Wednesday, January 19,

PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Williams Mr. Miller

Mr. Allen, Assistant Secretary.

The minutes of the meeting of January 18 were read and approved.

Mr. Delano reported that Governor Seay had called and informed him that the Conference of Governors would be in session January 19 and 20 at the Shoreham Hotel in Washington, and that the legislative committee and the National Bank Section of the American Bankers' Association would meet with the Conference on January 20, at the request of the Association. Governor Seay stated that the Conference was ready to meet with the Board or a committee of the Board

at its convenience. No action was taken.

A report of the Committee on Staff, signed by Mr. Delano, Mr. Miller and Mr. Harding, approving the recommendation of the Chief of the Division of Audit and Examination that the salary of Mr. Frank V. Grayson, Assistant Examiner, be increased from \$1,500 to \$1,800 per annum, effective February 1, 1916, was approved by the Board.

Letters from Mr. E. O. Tenison and Federal Reserve Agent W. F. Ramsey stating that the transfer to Mr. Ramsey as Federal Reserve Agent at Dallas was made on January 15, 1916, were read.

A letter from Federal Reserve Agent Austin of Philadelphia stating that he had appointed, subject to the approval of the Board, Mr. Arthur E. Post as assistant to the Federal Reserve Agent at Philadelphia, was read and referred to the Committee on Operation of Federal

Reserve Banks.

Opinions of Counsel on the conversion of 2% bonds and the writing of insurance by officers of national banks, were referred to the Committee on Law. It was agreed by the Board that it would be unwise to make public in the Bulletin the opinion on the writing of insurance by officers of national banks.

A letter to Representative Booher of Missouri replying to an inquiry made by him as to whether Mr. F. W. Fleming was qualified to act as Deputy Federal Reserve Agent in the Federal Reserve Bank of Kansas City, was read and referred to Mr. Warburg for revision.

Mr. Williams reported that the Broadway Trust Company had objected to the filing of certain reports required by his office on the ground that they had a letter from the Federal Reserve Board which, they asserted, justified them in making such a report in another form.

Mr. Hamlin presented a letter under date of January 18 from the Secretary of the Treasury acknowledging receipt of a communication from the Board which carried with it an inquiry from Federal Reserve Agent Perrin of San Francisco in connection with the conversion of 2% bonds. Mr. McAdoo's letter stated that the question was still under consideration by the Treasury Department.

In the above connection Mr. Delano reported the result of a conference with Counsel on the question of the conversion of 2% bonds, and stated that Counsel believed that the Board should not reconsider its expression that bond purchases after January 1 subject to circulation privileges, should be deducted from the allotment made to the twelve banks as of March 31, 1916. In view of the statement of the Secretary of the Treasury that the matter of the conversion of bonds had been referred

by him to the Solicitor of the Treasury for an opinion, no further action was taken in the matter.

Mr. Hamlin stated to the Board that Secretary Farnsworth of the American Bankers' Association had extended an invitation to the members of the Board to lunch with the Executive Committee and Federal Legislative Committee of the American Bankers' Association at the Shoreham Hotel on January 20, and was directed to send regrets.

Consideration of the Report of the Board was taken up.

Mr. Williams asked permission of the Board to inquire the action to be taken as to payment of his salary as a member of the Board from February 3 to August 10, 1914, as the result of an opinion rendered by the Comptroller of the Treasury.

On motion at 1:20 p. m., the Board

adjourned to meet at 3:00 p. m. this day.

Assistant Secretary.

APPROVED:

W. H. Hamilton

Chairman.