

At a meeting of the Federal Reserve Board, held in the Board Room at 11:10 A. M., Tuesday, August 29, 1916,

PRESENT:

- Governor Harding, presiding,
- Mr. Hamlin, Mr. Delano, Mr. Warburg,
- Mr. Miller, Mr. Williams,
- Mr. Allen, Secretary,

The minutes of the Board meeting on August 15th and minutes of Executive Committee meetings on August 17, 18, 21, (two meetings) and 25th were read and approved.

Formal approval was given to the order of the Executive Committee of the Board for the shipment of \$1,880,000 in Federal reserve notes to the Federal Reserve Agent at Dallas, shipment having been made on August 19, 1916.

The Executive Committee acting as committee on committees reported a list of new assignments of members of the Board to its committees,

and this was approved as follows:-

AUDIT AND EXAMINATION:

Mr. Delano,
Mr. Hamlin,
Mr. Miller. Secretary, Mr. Broderick.

CLEARINGS:

Mr. Delano,
Mr. Harding. Secretary, Mr. Willis.

EXECUTIVE:

Mr. Harding,
Mr. Warburg,
A member, (rotating). Secretary, Mr. Willis.

GOLD SETTLEMENT FUND:

Mr. Hamlin,
Mr. Miller, Secretary, Mr. Allen.

ISSUE AND REDEMPTION:

Mr. Miller,
Mr. Delano,
Mr. Hamlin, Secretary, Mr. Allen.

LAW:

Mr. Harding,
Mr. Hamlin,
Mr. Warburg, Secretary, Mr. Elliott.

OPERATION OF FEDERAL RESERVE BANKS:

Boston - Mr. Hamlin, Mr. Warburg.
 New York - Mr. Warburg, Mr. Delano.
 Philadelphia - Mr. Warburg, Mr. Hamlin.
 Cleveland - Mr. Hamlin, Mr. Delano.
 Richmond - Mr. Miller, Mr. Williams.
 Atlanta - Mr. Harding, Mr. Delano.
 Chicago - Mr. Delano, Mr. Warburg.
 St. Louis. - Mr. Delano, Mr. Miller;
 Minneapolis - Mr. Hamlin, Mr. Miller.
 Kansas City - Mr. Delano Mr. Hamlin.
 Dallas - Mr. Harding, Mr. Miller.
 San Francisco - Mr. Miller, Mr. Warburg.

MEMBER BANKS AND STATE BANKS AND FIDUCIARY POWERS:

Mr. Harding,
 Mr. Hamlin,
 Mr. Williams, Secretary, Mr. Borderick.

ORGANIZATION, EXPENDITURES, AND STAFF:

Mr. Delano,
 Mr. Hamlin,
 Mr. Miller. Secretary, Mr. Allen.

DISCOUNTS AND INVESTMENTS:

Mr. Warburg,
 Mr. Miller,
 Mr. Delano, Secretary, Mr. Willis.

RELATIONS WITH FEDERAL RESERVE AGENTS:

Mr. Miller,
 Mr. Delano, Secretary, Mr. Willis.

RELATIONS WITH TREASURY DEPARTMENT:

Mr. Hamlin,
Mr. Delano,
Mr. Williams, Secretary, Mr. Allen.

REPORTS AND STATISTICS:

Mr. Miller,
Mr. Williams,
Mr. Warburg, Secretary, Mr. Jacobson.

The Governor was in addition authorized to appoint a committee of three to have charge of the Federal Reserve Bulletin. He named Mr. Miller, Mr. Delano, and Mr. Hamlin.

Attention was called to the request of the president of the Federal Advisory Council for suggestions as to topics to be considered at the meeting on September 18 and 19, 1916, and this was referred to the Executive Committee. It was suggested by Mr. Delano in this connection that the Council should be requested also to originate topics.

Approval was given by the Board to the telegraphed request of the Federal Reserve Bank of Dallas for Federal reserve notes as follows:-

\$500,000	in	fives,
520,000	in	tens,
480,000	in	twenties.

A letter from the Secretary of the Milwaukee Outlying Bankers' Association, complaining as to advertising of the Badger State Bank of Milwaukee, Wisconsin, a member of the Federal Reserve System was referred to the Chicago Committee, with power.

Two memoranda from H. R. Dulany, Jr., Assistant Counsel, relative to the work of the Board in connection with the Kern amendment to the Clayton Act, were read and their consideration deferred until a special meeting to take up the subject.

The matter of exchange charges by the Baltimore Clearing House with all correspondence in that connection, was referred to the Committee on Clearing.

Attention was called to the suggested removal of the clerical staff of the Federal

Reserve Board to another part of the building to make room for the clerical staff of the Farm Loan Board and this matter referred to Mr. Delano, Chairman of the Special Committee on Quarters for the Board.

A letter from the Federal Reserve Agent at Cleveland, stating the conditions which governed his reports upon applications for charters for new National banks was read to the Board.

Attention was called to the request of Gibson Arnoldi & Company addressed to the Governor of the Board that he permit the use of his name as a director of the American Trade Association, but no action taken.

A letter from the Chief of the United States Bureau of Efficiency, asking information as to the Board's employees, was referred to the Committee on Staff.

Upon the recommendation of Mr. Delano and Mr. Miller, the Board voted to authorize the

removal of the files from the first floor of the Treasury Building to the second floor, accessible to the offices of the members of the Board, this being done under an agreement of private secretaries to file all matters except those of a personal nature in the general file room, using the files in members' offices for personal matters only.

Upon recommendation of Mr. Miller and Mr. Delano, the salary of \$5,000 recommended for John U. Calkins, Deputy Governor of the Federal Reserve Bank of San Francisco, was approved.

The following applications for stock in Federal Reserve Banks, approved by Mr. Harding, were approved by the Board.

FOR NEW STOCK.

<u>DISTRICT No. 10.</u>	Shares.
Midwest National Bank, Kansas City, Mo.	300
<u>DISTRICT No. 12</u>	
First National Bank, Olive, Calif.	10

FOR ADDITIONAL STOCK.

DISTRICT No. 2. Shares.

Merchants National Bank, Elmira, Ny. 90

DISTRICT No. 4.

First National Bank, Westerville, O. 1

Mr. Delano reported as to the sentiment of the Governors' Conference in Boston as to the establishment of a penalty for impairment of reserves. He stated that 2% above the ninety day rate was the amount of penalty favored, and it was agreed that letters should be sent out to Federal Reserve Banks by the Clearing Committee to obtain information which would enable the Board to establish a penalty.

Requests from Federal Reserve Agents at Cleveland and Minneapolis that they be furnished with complete reports of National banks as furnished under the calls of the Comptroller of the Currency, were referred to the Committee on Audit and Examination.

Upon recommendation of Mr. Harding and Mr.

Williams, the First National Bank of New **Brockton**, Alabama, was authorized to reduce its capital stock by \$15,000, from \$45,000 to \$30,000.

A letter was presented from the Federal Reserve Agent at Minneapolis, stating the desire of the bank in that city that the Federal Reserve Bank of Boston be permitted to withhold up to \$250,000 in the Thursday settlements in the Gold Settlement Fund, and the Settling Agent was authorized to comply with this general request, advising the Federal Reserve Agent at Minneapolis of the action.

The following opinions of Counsel were ordered circulated for approval:

1. In connection with rediscounts shown as contingent liabilities in reports of condition.
2. Re- indorsements on separate pieces of paper.
3. Whether notes of farmers' grain elevator companies are eligible for rediscount by Federal Reserve Banks.
4. Definition of "Improved Farm Land".

Attention was called to a letter calling

to the notice of the Board the appearance of the name of Leslie R. Palmer, a director of the Federal Reserve Bank of New York, in advertising of the Unicorn Film Corporation in a New York newspaper and the Governor of the Board was authorized to call Mr. Palmer's attention to the matter.

The attention of the Board was directed to the complaint of the First National Bank of Tallahassee, Fla., that it had been paid an insufficient dividend by the Federal Reserve Bank of Atlanta, and this was referred to Counsel for his opinion.

// The Governor laid before the Board a letter from R. H. Treman, Deputy Governor of the Federal Reserve Bank of New York, relative to the opening of a foreign account by the bank. This matter was made a special order for a meeting to be held at 2:30 P. M. this day. //

There was discussion of the publication in the Bulletin of that part of a statement to the

press issued by the Comptroller of the Currency on August 28th, which relates to interest rates charged by National banks.

It was agreed that in the future all opinions of Counsel should be submitted to the Law Committee of the Board before being presented to the Board itself for approval.

Upon recommendation of Mr. Delano and Mr. Harding, it was voted that Henry C. Breck should be paid \$50,00 additional compensation during the month of September for extra service rendered in the office of the Governor of the Board and in connection with the Gold Settlement Fund.

There was discussion of the vacancies in Class C Directors at the Federal Reserve Banks of Philadelphia and Chicago and the Governor of the Board and Mr. Delano requested to discuss the vacancy at Chicago with the Chairman of the Board.

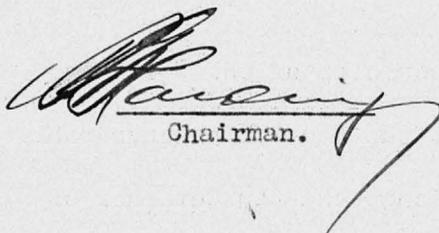
A request from Morton, Truett & Company

for authority to publish as an advertisement a letter of the Board as to cattle loans, was referred to the Executive Committee with power.

At 1:00 P. M. the Board adjourned to meet at 2:30 P. M. this day.


Secretary.

APPROVED:


Chairman.