

At a meeting of the Federal Reserve Board, held in the office of the Governor at 11:15 A. M., Friday, September, 15, 1916,

PRESENT:

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

The minutes of the Board on September 1st, September 11th, morning and afternoon, and September 14th, were approved, this approval in the case of the meetings of the Executive Committee carrying ratification of the action taken.

Formal approval was given to the application of the Federal Reserve Bank of Boston for a rate of 5 1/8% for 15-day paper of member banks. The Board also approved a rate of 4% for 15-day paper of member banks, effective September 18th, for the Federal Reserve Bank of Kansas City, and the cancellation by the Federal Reserve Bank of St. Louis of its 10-day rate and the estab-

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lishment of a 15-day rate of  $3\%$  for both commercial and member bank paper.

The Board agreed not to publish in the Bulletin information as to oil paper as collateral for loans.

A proposed letter to the Federal Reserve Agent at Cleveland in reply to his inquiry as to whether trade acceptances might be issued in payment of advertising space in newspapers was presented and a motion to approve the same was lost by a vote of two to two; Mr. Harding and Mr. Warburg voting "Yes" and Mr. Williams and Mr. Miller "No".

The question was raised by the Federal Reserve Bank of Atlanta as to the classification of millet seed paper, and referred to the Governor and Vice Governor.

Attention was called to a list of directors of Federal Reserve Banks whose terms expire on December 31, 1916, and it was tenta-

tively agreed that the committees in charge of various Federal Reserve Banks should consider the matter.

A letter to Representative Flynn in reply to his inquiry as to the names and salaries of attorneys employed by the Board was approved.

An inquiry from the Federal Reserve Agent at New York as to the definition of a private banker was referred to the Governor and Vice Governor for reply.

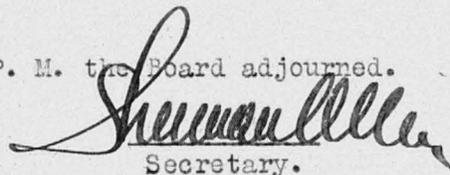
Mr. Williams read a letter written by him to the Secretary of the Treasury stating the number of insolvent banks in the last three years.

Mr. Warburg stated that counsel for the Bankers Trust Company and the First National Bank of New York had called upon him to ask that the Federal Reserve Board delay notification of its action as to the applications of directors of this company and bank until a hearing could

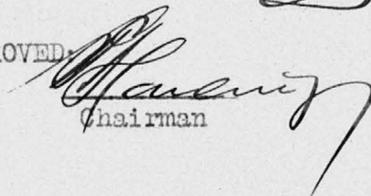
be given by the Board. It was further stated that after a consultation with Governor Harding and Mr. Miller, Mr. Warburg had informed counsel for these institutions that the matter could not be delayed, and that the rulings would be sent out and if an appeal was taken the Board would in due course give a hearing in the matter.

In view of the knowledge that appeals are likely to be taken, Mr. Miller, to whom the press statement on applications under the Clayton Act was referred, recommended that it be not issued at this time. On motion this recommendation was approved by the Board by a vote of three to one, Mr. Warburg voting against the delay, stating that he thought the Board would be better protected if it issued the statement now.

At 12:45 P. M. the Board adjourned.

  
Secretary.

APPROVED:

  
Chairman