

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Governor at 10:00 A. M. on Monday, October 2, 1916,

PRESENT:

Governor Harding, presiding, Mr. Miller, Mr. Warburg, Mr. Willis, Secretary.

The Governor of the Board presented a communication from the Comptroller of the Currency regarding the work of the Division of Issue, asking the continued authorization of the employment of Mrs. E. R. Potter for another month. The matter was referred to the Committee on Staff.

Letters from Mr. L. R. Withey as to the character of banking competition, and from Federal Reserve Agent Ramsey regarding the rate fixed by the Federal Reserve Bank of Dallas on fifteen-day notes, were laid before the Committee and noted.

A letter from Federal Reserve Agent Perrin regarding the date of the autumn conference of Federal Reserve Agents, was considered and ordered brought before the Board at the morning meeting.

A letter from Mr. H. J. Howe as to the status of directors of the National Shawmut Bank and the Old Colony Trust Company under the Clayton Act, was referred to the Committee on Clayton Act. The same action was taken with reference to a letter from Mr. T. S. Southgate.

A communication from Federal Reserve Agent Wills as to trade acceptances based on advertising was referred to the Committee on Law.

A letter from Counsel with reference to loans on real estate made by small banks in reserve cities, was ordered brought before the Board.

A letter from Mr. E. S. Willard of the National Metropolitan Bank and the National Savings & Trust Company directorates, asking an extension of time prior to any change in his status, was referred to the Committee on the Administration of the Clayton Act.

A letter from Federal Reserve Agent Ramsey as to currency shipments and penalties for deficient reserves, was read and noted.

An opinion of Counsel with reference to the definition of improved farm lands was referred back to the Committee on Law.

Notification of Messrs. Gillett and Clark of Bay City, Michigan, to the effect that the Supreme Court of that State had rendered a decision adverse to the Board's contention with reference to the power to grant fiduciary authority, was laid before the Committee and noted.

A letter from Federal Reserve Agent Wills, regarding certain contemplated loans to Columbus, Ohio, was read, and Mr. Wills' application for authority approved.

A letter from Mr. Orson Smith, Chairman of the Merchants Loan & Trust Company of Chicago, explaining certain reasons why his company had not joined the Federal Reserve system, was read and noted. Similar action was taken upon a letter from Mr. William Ingle as to conditions affecting the demand for gold at Baltimore.

The Governor presented to the Committee a copy of an argument and brief relating to the application of the City of Louisville for the establishment of a branch reserve bank at that place.

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Sundry letters from Federal Reserve Agent Ramsey regarding the number of items cleared at Dallas, with reference to the definition of the term "rediscount" in connection with paper presented to protect reserve notes and certain other matters, were presented to the Committee and on motion referred to the Board.

Correspondence with the Federal Reserve Bank of Cleveland as to whether advertising is to be considered a step in production and distribution, was referred to the Board.

The question of the character of bond to be exacted of postmasters making collections for reserve banks, was referred to the Board.

A memorandum of Counsel as to transmitting to reserve banks the Comptroller of the Currency's recent circular regarding amendments to the Act, was also referred to the Board.

On motion at 10:50 A. M. the Committee adjourned.

A. Parker Curtis
Secretary.

APPROVED:
[Signature]
Chairman.