At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:15 A. M. on Monday, October 2, 1916,

PRESENT:
Governor Harding, presiding, Mr. Delano,
Mr. Warburg, Mr. Williams,
Mr. Miller, Mr. Willis, Secretary.

The minutes of the following meetings of the Executive Committee were read:
Session of 10:30 A. M. September 21st.
Session of 10:30 A. M. September 22nd.
Session of 3:25 P. M. September 22nd.
Session of 4:00 P. M. September 22nd.
Session of 2:00 P. M. September 23rd.
Session of 11:15 A. M. September 29th.
Session of 4:20 P. M. September 29th.

On motion all of the foregoing minutes were approved as read, and the action taken were ratified, except that the action taken with reference to the application of the Irving National Bank for power to furnish dollar exchange in certain South American countries was suspended pending further consideration, the papers in the case being placed in the hands of the New York District Committee.
The minutes of the Board meeting of September 13th were presented to the Board and approved as read.

Mr. Williams entered the meeting immediately after the reading of the minutes and did not participate in the consideration of them.

A letter from the Federal Reserve Bank of Dallas, stating the receipt of the application of the First Guaranty State Bank & Trust Company of Ennis, Texas, to enter the system, was read and noted. Similar action was taken with reference to a letter from the Federal Reserve Bank of Atlanta, stating the application of the Jefferson Commercial & Savings Bank of Gretna, Louisiana, for membership in the system.

A communication from the Federal Reserve Bank of Dallas inquiring whether promissory notes made directly in favor of a Federal Reserve bank and not technically rediscounted with it by a member bank, could be accepted as collateral security to protect issues of Federal Reserve notes, was referred to the Committee on Law.

An inquiry from the Federal Reserve Bank of Dallas as to whether county warrants may be deposited as security for member banks' promissory notes, was referred to the
Governor with power to act. The same action was taken with reference to an inquiry from the Federal Reserve Bank of Atlanta in regard to a letter from the National Bank of Jacksonville, Florida, asking for a ruling on acceptances.

A letter from Mr. David R. Forgan with reference to the application of Mr. Stanley Field, was referred to the Committee on the Operation of the Clayton Act, to be reported after the close of the hearings relating to Clayton Act matters.

A communication addressed to Mr. Delano and stating the resignation of Mr. L. A. Wilson from the Board of the Kansas City Bank, was read and the contents noted.

A letter from Federal Reserve Agent Jay relating to the application of Mr. C. G. Sanford, of Bridgeport, Connecticut, under the Clayton Act, was considered, and after discussion was referred to the Committee on the Operation of the Clayton Act.

On motion a recommendation of Counsel that Federal Reserve Agents circularize member banks to determine whether directors are engaged in business
as private bankers, was referred to the Committee on Clayton Act.

An inquiry from Federal Reserve Agent Ramsey with reference to the propriety of increasing rates of discount charged on the promissory notes of member banks, when such notes are renewed, was considered, and on motion, was referred to the Executive Committee for the preparation of a letter to be submitted to the Board. It was also voted to telegraph Mr. Ramsey not to take the action suggested in his letter until the receipt of the Board's ruling.

On motion it was voted that no stenographic record should be made of the hearings relating to the application of the Clayton Act, set for October 3rd and 4th.

A letter from Chief of Division Broderick, with reference to the method of accounting for profit on U. S. bonds, was read to the Board, and on motion approved and ordered transmitted to all Federal Reserve agents.

Discussion of a date for the Conference of Federal Reserve Agents having been had, it was, on motion, voted that the next conference be held during the week
beginning December 4th. It was agreed that each Federal Reserve Agent should be asked to bring with him a draft of his annual report in sufficiently complete form to render possible a presentation of its main features and comparison of ideas among those present.

The general question of arrangements for this meeting was referred to the Committee on Relations with Federal Reserve Agents, Mr. Miller, Chairman.

A letter from Federal Reserve Agent Wills, relative to the question of acceptances based on advertising payments, and raising the question whether advertising is a step in the process of production and distribution, was laid on the table.

The question of the form of bond to be used by postmasters making check collections on behalf of the Board, was likewise laid on the table.

The question of the relations between the Federal Reserve Board, the reserve banks, and the Federal Reserve agents, was discussed and on motion was referred to the Committee on Organization and Staff for further report.

The question of sending to Federal Reserve agents copies of the circular issued by the Comptroller of the Currency relating to amendments to the Federal Reserve Act
was referred to the Executive Committee and Counsel.

The foregoing business concluding all that had been formally placed on the docket, Mr. Williams was excused from the meeting.

Applications for power to exercise fiduciary functions, duly passed upon by the Committee on Member and State Banks, were reported and on motion voted as follows:

APPROVED.

First National Bank, Boone, Iowa.
(Trustee, Executor, Administrator, and Registrar of stocks and bonds)
First National Bank, Greencastle, Ind.
(Trustee, Executor and Administrator)
First National Bank, Marengo, Iowa.
(Trustee, Executor, Administrator, and Registrar of stocks and bonds)
First National Bank, Montezuma, Iowa.
(Trustee, Executor, Administrator, and Registrar of stocks and bonds)

HELD.

First National Bank, Marathon, Iowa.
(Trustee, Executor, and Administrator)
First National Bank, Dickinson, N. D.
(Trustee, Executor, Administrator and Registrar of stocks and bonds)
First National Bank, Galva, Iowa.
(Executor or Administrator) Held until surplus equals 20% of capital.

REFUSED.

First National Bank, George, Iowa.
(Trustee, Executor, and Administrator)
On motion an application for the surrender of stock in the Federal Reserve Bank of Cleveland, duly recommended by the Committee on Member and State Banks, was approved as follows:

Catlettsburg National Bank, Catlettsburg, Ky. 72

The report of the Committee on Staff, relative to the employment of Mrs. E. R. Potter, recommending her retention until October 31, 1916, was on motion approved.

An opinion of Counsel relative to real estate loans by small banks in the outskirts of central reserve cities having been read, it was on motion adopted.

A letter from Federal Reserve Agent Wills of Cleveland, relative to a proposed purchase of warrants to be issued by the City of Columbus, Ohio, was read to the Board, and on motion it was voted that Mr. Wills be authorized to take up the issue of Columbus warrants, a cautionary letter, however, to be written him by the Governor of the Board.

On motion the application of the Federal Reserve Bank of Richmond for an issue of Federal Reserve notes totalling $1,500,000, duly approved by the Committee on Issue and Redemption, was approved.
On motion the question of the rate to be charged by Federal Reserve banks on deficiencies in reserve deposits, was referred to the Committee on Clearings, Mr. Delano, Chairman.

On motion it was voted that the Committee on Expenditures consider the question of a more suitable table for use in the Board Room, and that it be granted power to act.

On motion at 12:55 P. M. the Board adjourned to meet at 11:00 A. M. on Tuesday, October 3rd.

[Signature]
Secretary.

[Signature]
Chairman.