

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11 A. M. on Thursday, October 19, 1916,

PRESENT:

Governor Harding, presiding, Mr. Hamlin,
Mr. Warburg, Mr. Willis, Secretary.
Mr. Delano,

The minutes of the meeting of the Executive Committee of Wednesday, October 18, and of the meeting of the Board on Wednesday, October 18, were read and approved.

The question of selecting a member of the staff of the Division of Issue was discussed and laid on the table pending further information.

Mr. Hamlin gave notice that he would, at an early date, offer a motion requesting the President to extend the Civil Service rules to the staff of the Board.

An opinion of Counsel relating to the question of loans on real estate equal to one-half of the value of such real estate and improvements thereon, was adopted as the action of the Board, and was referred to the Committee on Bulletin for publication if thought desirable.

A letter from Mr. Hugo Breitner, Consul at Vienna, referred by the Department of State, with reference to an Austro-American credit after the close of the European war, was presented to the Board, and Mr. Warburg read a memorandum recommending that the Board reply that no action was feasible at this time. The matter was referred to the Law Committee with instructions to prepare a suitable reply.

An opinion of Counsel with reference to the proper definition of time certificates of deposit, was referred to the Committee on Law with power to act.

A plan for the insurance of employees of the Federal Reserve Bank of Dallas, was presented to the Board, and on motion approved.

An opinion of Counsel with reference to certain acceptances of the Social Circle Cotton Mills, was read, and on motion referred to the Committee on Law.

A request from the Silk Association of the United States that a speaker be supplied to address the Association with reference to the relation of the Federal Reserve Act to the silk trade, was referred to the Governor for a suitable reply.

A letter from the Mechanics & Metals National Bank of New York requesting permission to accept drafts designed to furnish dollar exchange, was referred to Mr. Warburg as a special committee, the Secretary meanwhile to acknowledge its receipt.

A synopsis of the Clayton Act as affecting bankers, prepared by Federal Reserve Agent Austin, was presented to the Board, and Counsel authorized to transmit to Mr. Austin a letter prepared by him with reference to the same. The synopsis was referred to the Committee on Bulletin.

A letter from Federal Reserve Agent Wills withdrawing the proposed discount rate made by the Federal Reserve Bank of Cleveland on domestic acceptances, was presented to the Board and contents noted.

A request from Mr. H. B. Wilcox of Baltimore asking a hearing with reference to the Clayton Act, having been read, it was on motion voted that the Governor appoint a committee to hear Mr. Wilcox at 3:30 P. M. on Friday, October 20.

An application from the Federal Reserve Bank of Kansas City for an issue of \$600,000 in Federal Reserve notes, and one from the Federal Reserve Bank of St. Louis for an issue of \$2,000,000, duly recommended by the Committee on Issue and Redemption, was approved.

It was agreed that hearings under the Clayton Act, set for Friday, October 20th, should begin at 10:30 A. M.

On motion at 12:10 P. M. the Board adjourned.

H. Parker Willis
Secretary.

APPROVED:

[Signature]
Chairman.