

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11 A. M. on Tuesday, October 31, 1916,

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

The minutes of the meeting of the Board of October 30th were read and approved as modified.

A letter from Governor Wold of the Federal Reserve Bank of Minneapolis with reference to certain details of the process of transferring banks of southern Wisconsin to the Chicago District, was on motion, referred to the Committee on Clearings. Similar action was taken with reference to a letter from Governor McCord of Atlanta relative to the refusal of checks of member banks failing to remit promptly.

It was informally agreed to make no statement at present of the names of member banks engaging in the domestic acceptance business.

Communications from the Federal Reserve Bank of Minneapolis and members thereof, relative to the non-acceptance by the Treasury Department of drafts drawn on Federal

Reserve banks, were referred to the Committee on Relations with the Treasury Department.

On opinion of Counsel relating to the payment of accrued dividends of member banks transferred from one district to another was on motion adopted, and action in accordance therewith ordered.

An opinion of Counsel relating to acceptances of member banks was referred to the Committee on Law.

An application for \$1,500,000 of Federal Reserve notes from the Federal Reserve Bank of Richmond, duly recommended by the Committee on Issue and Redemption, was on motion approved.

Mr. Warburg having reported the views of the Committee on Discounts and Investments with reference to certain acceptances against cotton and yarn, as to which inquiry had been made by the Federal Reserve Bank of Boston, it was on motion voted to adopt the report, Mr. Warburg to communicate the substance of the same in reply to the inquiry.

Applications for stock in Federal Reserve banks, duly recommended by the Committee on Member and State banks, were approved as follows:-

FOR NEW STOCK.

District No. 5. Shares.

Farmers National Bank, Hertford, N. C. 15

District No. 9.

First National Bank, Keewatin, Minn. 15

First National Bank, Judith Gap, Mont. 15

First National Bank, Browning, Mont. 17

District No. 10.

Farmers National Bank, Americus, Kans. 16

Planters National Bank, Tulsa, Okla. 72

District No. 12.

Bank of Woodland Nat'l Bank, Woodland, Cal. 144

Total. 294

FOR ADDITIONAL STOCK.

District No. 2.

First National Bank, Marion, N. Y. 1

District No. 9.

First National Bank, Ellendale, N.D. 6

First National Bank, Wessington Sps, S.D. 2

First National Bank, Groton, S. D. 1

First National Bank, Benson, Minn. 2

First National Bank, Bertha, Minn. 2

Farmers National Bank, Blue Earth, Minn. 2

First National Bank, Kiester, Minn. 1

First National Bank, Lake Crystal, Minn. 6

Farmers & Merchants Nat'l Bank, Minnesota, Minn. 9

First National Bank, Westbrook, Minn. 2

Total. 34

An application for the surrender of stock, duly recommended by the Committee on Member and State Banks, was approved as follows:-

District No. 9. Shares.

Yellowstone Valley National Bank, Sidney, Mont. 26

On motion it was voted that Mr. Harding and Mr. Delano meet with the directors of the Federal Reserve Bank of Atlanta on November 9th for a general discussion of the question of a building for that bank; the committee also to visit New Orleans in their discretion.

The minutes of the meeting of the Board's committee on the Clayton Act, on October 31st, were read and on motion approved, and the action therein taken ratified, the minutes to follow those of this meeting of the Board.

The Secretary of the Board having read a letter from the Comptroller of the Currency regarding certain expression of Federal Reserve Agent Perrin as to examinations of member banks, it was agreed that the Governor write a general acknowledgment and that the letter be referred to the Committee on Operation of the Federal Reserve

Bank of San Francisco, for such action as might seem expedient.

A letter from Acting Governor R. H. Treman, of the Federal Reserve Bank of New York, relative to the French industrial credit, was read and referred back to the Governor for a suitable reply.

A letter from Mr. J. B. Forgan informing the Board that November 20th has been fixed as the time for the next meeting of the Advisory Council, was referred to the Committee on Relations with Federal Reserve Agents.

A letter from Mr. E. D. Hulburt, relative to the relations of State banks to the Federal Reserve System, was read and it was agreed that the Governor make suitable acknowledgment.

A letter from Assistant Secretary of the Treasury Malburn, relative to the conversion of 2% bonds during the year 1917, was on motion referred to the Committee on Investments.

A letter from Comptroller Williams, recommending an increase in pay for Mr. S. T. Dashiell from \$60 to \$75 per month, was referred to the Committee on Staff with power to act.

Reports from Federal Reserve Agent Ramsey,
 relative to penalties on deficient reserves, and
 the cost of handling collection items, was read and
 general discussion ensued.

The Governor of the Board reported that his
 attention having been called by certain member banks to
 the question of carrying their reserves with Federal re-
 serve banks, these member banks stating that they would
 be glad to take advantage of the new provision of the law
 provided they could report their vault cash in one item
 with their Federal Reserve bank balance, the Comptroller
 of the Currency had informed him of his intention to per-
 mit reports to be made in this way on the next call. On
 motion it was voted that the Governor acknowledge the
 decision of the Comptroller in a suitable letter to him,
 expressing the Board's appreciation of his action.

On motion at 12:30 P. M. the Board adjourned.

J. Parker Welles
 Secretary.

APPROVED:

[Signature]
 Chairman.