At an adjourned meeting of the Federal Reserve Board held in the office of the Board at 3 P. M. on Wednesday, November 22, 1916,

PRESENT:
Governor Harding, presiding, Mr. Hamlin,
Mr. Warburg, Mr. Williams,
Mr. Miller, Mr. Allen, Assistant Secretary.

The minutes of the Executive Committee meetings held at 10:30 A. M. and 11:10 A. M. on Monday, November 20th were read, approved and the action taken ratified.

The minutes of the meetings of the Board on November 16th and 22nd were approved. Approval was also given to the minutes of a meeting of the committee of the Board on the Clayton Act and the Kern Amendment thereto, held on November 22nd at 10:15 A. M. The minutes of the joint meeting of the Board with the Federal Advisory Council were presented and referred to Mr. Hamlin for examination and approval on behalf of the Board.

Governor Harding reported that, in his judgment, there was no objection to permitting the Federal Reserve Bank of Cleveland, subject to approval of its Counsel, to
continue to carry for a short time the Toledo warrants about which there had been discussion, and his letter to the bank to this effect was approved.

Governor Harding also reported the receipt from the Federal Reserve Agent at Atlanta of a map showing the location of the site purchased by the Bank of Atlanta, and an abstract of the title thereto, with the request that it be examined by Counsel for the Board. His suggestion that the abstract be returned without such examination, and the further suggestion that it be referred to the Counsel for the Federal Reserve Bank of Atlanta was approved.

Question having been raised as to the continuance of the policy of the Board announced in December, 1915, that directors in Federal Reserve banks should not be elected as members of the Federal Advisory Council, it was agreed that this matter should be referred to the Executive Committee with request that they prepare a resolution in relation thereto to be submitted to the Board.

The Board then took up the request of Mr. Percy S. Straus of R. H. Macy & Company to be permitted to remain a director in the R. H. Macy & Company and the Second National Bank of New York; and the request of Mr. O. H. P. Johnson,
Vice President of the Metropolitan National Bank of Washington, to remain as a director in the National Savings and Trust Company of Washington. On motion it was voted that Mr. Straus be permitted to retain both directorships, and that the request of Mr. Johnson be declined.

The request of the Federal Reserve Agent at Minneapolis for Federal Reserve notes of the following denominations, recommended by the Committee on Issue and Redemption, was approved by the Board.

Fives, ..... $520,000.

Tens, ..... 520,000.

Twenties, .. 960,000.

A letter from Governor Wold of the Federal Reserve Bank of Minneapolis urging the reappointment of Mr. John W. Black of Houghton, Michigan, as a Class C Director at Minneapolis, was noted. This was followed by the discussion of the selection of Class C directors where terms expire on December 31, 1916, and it was moved and voted that the committee having in charge the several Federal Reserve banks be requested to make recommendation for the selection of Class C directors, where terms expire on December 31, 1916, in writing, at a meeting of the Board to be held on December 4th, it being the intent of the Board to act upon these reports so far as possible.
on that date.

Reports were received from Mr. Warburg on the application of the Federal Reserve Bank of Minneapolis to take $12,000 in school warrants of Munising, Michigan, and the request of the Federal Reserve Bank of Philadelphia to take $50,000 in warrants of the municipality of Atlantic City. In connection with these requests there was presented the further application of the Federal Reserve Bank of Philadelphia, dated November 21, 1916, to take $25,000 of the Atlantic City warrants. On recommendation of Mr. Warburg, the Board agreed that it could not grant permission to the Federal Reserve Bank of Minneapolis to take the Munising, Michigan, warrants, but that the Federal Reserve Bank of Philadelphia might take the two purchases of Atlantic City warrants, both matters being referred to the Committee on Investments that letters might be prepared. It was understood that in connection with the Atlantic City warrants it should be pointed out that the rate at which they were taken was but little higher than the rate for commercial paper, and that caution should be urged in acquiring too large an amount of this paper.

Mr. Harding presented a letter from the Comptroller
of the Currency commenting on the report of the Committee on Staff in connection with the appointment of national bank examiners, and requesting an additional appointment. This letter was referred to the Committee on Staff.

A report was made by the Executive Committee of the Board on the proposed foreign branch of the Federal Reserve Bank of New York, and on motion of Mr. Hamlin, this report was allowed to lie on the table for a meeting at which all members are present.

Attention was called to the need of the Division of Statistics for an additional employee during the next sixty days, and this matter was referred to the Committee on Staff with power.

A letter from Federal Reserve Agent Bosworth, stating his impression that the Auditor of the State of Iowa would not furnish copies of his examination of the Peoples Trust and Savings Bank of Clinton, Iowa, which is about to enter the Federal Reserve system, having been presented, it was agreed that formal request should be made upon the Auditor for the report by the Governor of the Board.

Mr. Harding presented a letter from the Comptroller of the Currency calling attention to certain misleading
statements contained in the instructions given to member banks by the Federal Reserve Bank of Richmond in connection with purchases of acceptances. This matter was referred to the Governor of the Board with power, and the opinion of Counsel filed in this connection was given approval of the Board.

A memorandum from Mr. J. A. Broderick, as to reports of reserve by country banks, was read and noted.

A report of the Committee on Issue and Redemption, recommending that the Board authorize this Committee to make requisition for it upon the Comptroller of the Currency for shipment or release of Federal Reserve notes to Federal Reserve agents, was read and the following resolution passed by the Board:

"RESOLVED, That the Committee on Issue and Redemption, or, in its absence, the Executive Committee, be and hereby is authorized to act for the Federal Reserve Board in issuing requisitions upon the Comptroller of the Currency for the delivery of Federal Reserve notes to the Federal Reserve Agent, making report of its action at the next meeting of the Board; and that a copy of this resolution be forwarded to the Comptroller of the Currency."

Mr. Delano called attention to the receipt of a map from the Federal Reserve Bank of San Francisco showing the points at which it was making check collections through the
use of express companies. There was discussion of the establishment of collection agencies in the San Francisco District, and this question raised by the Federal Reserve Agent at San Francisco, was referred to Mr. Delano and Mr. Miller.

Consideration was given to a letter from Governor Rhoads of the Federal Reserve Bank of Philadelphia to Mr. Warburg, suggesting that a committee of Governors be authorized to purchase United States two per cent bonds on behalf of all Federal Reserve banks. After discussion it was directed that Mr. Warburg's written report upon the matter, which was not then before the Board, should be circulated, and that the matter should be again given consideration.

Mr. Harding called attention to the fact that the First National Bank of Lander, Wyoming, and the First National Bank of York, Nebraska, had made deductions in remitting proceeds of check collection to the Federal Reserve Bank of Kansas City, and read a letter from the Comptroller of the Currency in this connection. After discussion it was agreed that Mr. Williams should be requested to call the attention of the First National Bank of York, Nebraska, to
the fact that as matters stand the balance shown by its own books with the Federal Reserve Bank of Kansas City is not an admitted asset beyond the amount claimed by the Federal Reserve Bank of Kansas City.

The following applications for additional stock and surrender of stock, duly recommended by Mr. Harding, Chairman of the Committee on Member and State Banks, were approved by the Board:

**District No. 2. FOR STOCK.**

<table>
<thead>
<tr>
<th>Bank</th>
<th>City</th>
<th>Shares</th>
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</thead>
<tbody>
<tr>
<td>First National Bank</td>
<td>Norfolk, N. Y.</td>
<td>9</td>
</tr>
<tr>
<td>Sherman National Bank</td>
<td>New York, N. Y.</td>
<td>90</td>
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**District No. 9.**

<table>
<thead>
<tr>
<th>Bank</th>
<th>City</th>
<th>Shares</th>
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<tbody>
<tr>
<td>National Bank</td>
<td>Hudson, Wis.</td>
<td>1</td>
</tr>
<tr>
<td>Citizens National Bank</td>
<td>Merrill, Wis.</td>
<td>1</td>
</tr>
<tr>
<td>Farmers National Bank</td>
<td>Brookings, S. D.</td>
<td>1</td>
</tr>
<tr>
<td>First National Bank</td>
<td>Hills, Minn.</td>
<td>1</td>
</tr>
<tr>
<td>First National Bank</td>
<td>Ada, Minn.</td>
<td>6</td>
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**District No. 10.**

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<tr>
<th>Bank</th>
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<th>Shares</th>
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<tbody>
<tr>
<td>Farmers National Bank</td>
<td>Maysville, Okla.</td>
<td>1</td>
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**District No. 12.**

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<tr>
<td>First National Bank</td>
<td>Lompoc, Calif.</td>
<td>84</td>
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</table>

**FOR SURRENDER OF STOCK.**

**District No. 1.**

<table>
<thead>
<tr>
<th>Bank</th>
<th>City</th>
<th>Shares</th>
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<tr>
<td>National Exchange Bank</td>
<td>Hartford, Conn.</td>
<td>460</td>
</tr>
</tbody>
</table>
District No. 4.  Shares.
Citizens National Bank, Indiana, Pa. 1

District No. 8.
First National Bank, New Haven, Ill. 17

District No. 10.
First National Bank, Gering, Nebr. 15
Dawson County National Bank, Lexington, Nebr. 36

A proposed letter to the American Southern National Bank of Louisville, forwarding in response to its request, a list of the classifications made by the twelve Federal Reserve banks of member banks by capital and surplus for the election of Class A and B directors, was approved, and the list ordered printed in the Federal Reserve Bulletin.

On motion at 5 P. M. the Board adjourned.