

At a regular meeting of the Federal Reserve Board held in the office of the Governor on Friday, October 12, at 3 p. m.,

PRESENT:

Mr. Harding, presiding,                      Mr. Williams,  
 Mr. Warburg,                                      Mr. Miller,  
 Mr. Delano,                                        Mr. Willis, Secretary.

The minutes of the meeting of the Board held on October 9 were read and, on motion, approved.

The minutes of the meetings of the Executive Committee held on October 9, 10 and 11, were presented and, on motion, approved, and the action therein set forth ratified.

Discount rate sheets for the week transmitted by various banks (no changes being recommended), were presented and ordered passed to file.

An opinion of Counsel with reference to remittances to alien enemies, was read and, on motion, referred to the Governor with power to act.

An opinion of Counsel relating to non interest bearing certificates, was read and noted.

A letter from the Union National Bank of Houston, Texas, inquiring as to the attitude of the Board with reference to the issue of bond-secured bank note circulation, was

referred to Messrs. Warburg and Miller as a special committee to report back to the Board a letter embodying the Board's policy.

Notice was given that at 3 p.m. October 18, a meeting of persons interested in trade acceptances, would be held. It was informally agreed that the Board Room in the Metropolitan Bank Building might be used for the purposes of the meeting.

A memorandum of the Division of Statistics with reference to the method of reporting pledged paper employed by the Federal Reserve Bank of San Francisco, was referred to the Committee on Reports and Statistics.

Governor Harding reported a letter sent to the President, and referred to the Board, from Mr. Oswald Stoll of London, England, relative to the conservation of reserves. The letter and accompanying document were ordered circulated.

Changes in stock, duly recommended by the Committee on Membership, were approved as follows:

Applications for Original Stock.

<u>District No. 2.</u>		Shares
First National Bank	Weedsport, N.Y.	15

Applications for Original Stock (Con.)

District No. 12.

First National Bank	Buhl, Idaho.	30	
Blaine County National Bank	Hailey, Idaho,	<u>32</u>	62
	Total .....		<u>77</u>

Applications for Surrender of Stock.

District No. 2.

County National Bank	Canandaigua, N.Y.	<u>78</u>	78
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District No. 6.

First National Bank	Moultrie, Ga.	<u>12</u>	12
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District No. 12.

First National Bank	Artesia, Cal.	1	
Union National Bank	San Luis Obispo, Cal.	2	
First National Bank	San Jacinto, Cal.	<u>30</u>	
First National Bank	Hood River, Ore.	15	
First National Bank	Medford, Oregon,	6	
First National Bank	Wenatchee, Wash.	3	
First National Bank	Port Townsend, Wash.	<u>3</u>	<u>60</u>
	Total .....		<u>150</u>

Upon recommendation of the Committee on Membership, the following institutions were ordered admitted to the Federal reserve system upon conditions named by the Committee.

Central Trust Company, New York.

Miners Deposit Bank, Lykens, Pa.

Upon recommendation of the Committee on Investments, it was, on motion, voted to authorize the Albany National Bank of Albany, Alabama, to accept up to 100% of its capital and surplus.

Upon recommendation of the Committee on Staff, a re-

port recommending the reinstatement of drafted employees, when capable of resuming duty, if honorably discharged from the Army or Navy, was adopted and ordered transmitted to the Bureau of Efficiency, which had made the inquiry.

Upon recommendation of the Committee on Staff, an advance in the salary of Examiner R. J. C. Dorsey from \$3,000 to \$3300, effective October 16, was approved.

A telegram from the Cedar Rapids Clearing House with reference to current Government financing and the discounting of non member notes secured by Government obligations, was read and, on motion, it was ordered that a reply be sent stating that the existing regulations with reference to the rediscounting of such notes are still in effect, as at the time of the first loan.

The Comptroller of the Currency presented certain letters from banks expressing anxiety with regard to the financial situation as related to Government financing. These were read and the situation was generally discussed, the Comptroller of the Currency reading to the Board a statement which he had prepared for the press relative to the policy to be pursued by his office respecting the valuation of national bank investments.

Informal discussion of the conditions of admission of trust companies, especially in Pennsylvania, to the Federal Reserve System, ensued. On motion, the question of the eligibility of trust companies in Pennsylvania which are authorized by their charters to transact business not strictly included under the head of banking, was referred to the Committee on Membership.

On motion, the Governor of the Board was authorized to visit Baltimore on October 13 and New York on October 17, at the expense of the Board, relative to Federal reserve matters.

The question of the form to be taken by the next annual report of the Board was discussed, and the draft of a letter to Federal reserve agents relative to the contents of their respective reports was read.

A memorandum from Counsel with reference to the status of Mr. Herman Waldeck, now director and vice president of the Continental & Commercial National Bank of Chicago, who desires also to act temporarily as president of the Peoples Trust & Savings Bank, was considered, and on recommendation of Counsel it was agreed to authorize him to retain both relationships.

On motion, at 4.45 p. m. the Board adjourned to meet at 3 p. m. on Monday, October 15.

APPROVED:

*H. C. ...*  
Secretary.

                      
Chairman.