

At a regular meeting of the Federal Reserve Board held in the office of the Governor on Wednesday, October 24, 1917, at 11 a.m.,

PRESENT:

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

The minutes of the meeting of the Board held on October 22, were read and on motion approved.

The minutes of the meeting of the Executive Committee held on October 23, were read and on motion approved and the action therein set forth ratified.

The minutes of the meeting of the Executive Committee sitting as a gold export committee on October 25, were presented and on motion approved and the action therein set forth ratified.

Upon the recommendation of the Committee on Membership, applications from the following institutions were favorably acted upon and the institutions ordered admitted upon the terms prescribed in each case by the Committee:

Metropolitan Bank of New York City.
Lawrence Savings & Trust Co., Newcastle, Pa.
Equitable Trust Co., New York, N.Y.

The application of the Citizens National Bank of Mansfield, O., for authority to exercise power as registrar of stocks and bonds was presented by the Committee on Trustee Powers and on motion approved.

A letter from the Union National Bank of Houston, Texas, inquiring the Board's views with reference to additional issues of national bank notes and a proposed reply to the same, made a special order for this meeting, were read and referred to the Governor with power to act, he to write a suitable reply to the Union National Bank.

A report of a special committee on certificates of indebtedness for large tax payers was read and ordered received and a copy transmitted to Assistant Secretary of the Treasury Crosby.

Governor Harding presented a proposed readjustment of Committees which was discussed, modified, and ordered into effect, as follows:

EXECUTIVE COMMITTEE:

- Mr. Harding,
- Mr. Warburg,
- A Member (rotating)
- Secretary, Mr. Willis.

To this Committee may be referred all matters not specifically referred to some other committee, and all questions relating to NEW LEGISLATION, ORGANIZATION OF BRANCHES

and RELATIONS WITH THE TREASURY DEPARTMENT. It shall have power to dispose of business of a routine character between meetings of the Board, it shall submit, at the first meeting of the Board held after one of its meetings, minutes of its proceedings, for the Board's approval.

Meets on call of Chairman.

No. 1. All matters pertaining to ORGANIZATION, EXPENDITURES AND STAFF, AUDIT AND EXAMINATION, and CLEARINGS.

Mr. Delano,

Mr. Hamlin,

Mr. Miller.

Secretary, Mr. Allen.

Meets on _____ and _____ at _____

No. 2. All matters pertaining to INVESTMENTS AND DISCOUNT RATES, MEMBER BANK REPORTS, and APPLICATIONS FOR MEMBERSHIP.

Mr. Warburg,

Mr. Miller,

Mr. Delano.

Secretary, Mr. Willis.

Meets on _____ and _____ at _____

No. 3. All matters pertaining to LAW, INTERPRETATION, APPLICATIONS FOR TRUSTEE POWERS, APPLICATIONS FOR JOINT DIRECTORSHIPS UNDER THE KERN AMENDMENT TO THE CLAYTON ACT, NOTE ISSUE AND REDEMPTION, and CHANGES IN STOCK.

Mr. Hamlin,

Mr. Williams,

Mr. Delano.

Secretary, Mr. Willis.

Meets on _____ and _____ at _____

No. 4. All matters pertaining to the issue of the MONTHLY BULLETIN, FEDERAL RESERVE STATISTICS, GOLD SETTLEMENT FUND, AND RELATIONS WITH FEDERAL RESERVE AGENTS.

Mr. Miller,

Mr. Hamlin,

Mr. Warburg.

Secretary Mr. Willis.

Meets on _____ and _____ at _____

Mr. Harding requested that the Chairman of the various Committees fix hours and dates of meeting as soon as possible.

Mr. Williams stated to the Board that examiner Brennan desired to leave the service shortly. Discussion ensued with reference to Mr. Brennan's possible relation to the Federal Reserve Bank of Boston.

An opinion of Counsel with reference to the granting of Trustee powers in Minnesota and New York was referred back to Counsel with the request that he obtain a written opinion from Mr. J. P. Cotton as to the legal points involved.

An opinion of Counsel with reference to the writing of surety bonds and undertaking of certain other functions by trust companies was read, and on motion referred to Committee No. 2, Mr. Warburg, Chairman, with instructions that it is the sense of the Board that the Committee acting on Membership applications (#2) should not reject any application from an institution which exercises non-banking powers, such as insurance, merely on that ground, but that a decision be reached independently in each case upon its merits, the Board, however, to be advised especially in those cases where these powers are being exercised, should the Committee in such a case recommend the institution for membership.

A memorandum with respect to the policy to be pursued regarding the regulation of gold shipments to Japan, transmitted by Assistant Secretary of the Treasury Crosby, was referred to the Executive Committee with power to act.

A resolution of the Pittsburgh Clearing House Banks with reference to the establishment of a branch in that city was presented and ordered passed to file.

A memorandum of Mr. Miller, previously laid before the Board, with reference to discount rates, was referred to Committee No. 2, Mr. Warburg Chairman.

An opinion of Counsel with respect to the taxability of member banks' stockholdings in Federal Reserve Banks, was presented and referred back to Counsel without action.

A letter from Mr. J. B. Puelicher with reference to some official recognition on the part of the Board of the work being done by a special committee of the American Bankers Association in getting new members, was read; and Mr. Warburg further stated the outcome of a recent trade acceptance conference on October 18, and the desire of the Committees represented at that conference for a similar letter of approval of their work. On motion the papers in the case were referred to the Governor with the re-

quest that he write suitable letters in each instance.

A telegram from Federal Reserve Agent Perrin with reference to clearing house examinations in the 12th District was read and on motion referred to Committee No. 1, Mr. Delano Chairman, Mr. Miller to send interim reply.

A memorandum presented by Mr. Delano with reference to the restriction of the issue of gold certificates was read and on motion referred to the Executive Committee.

An opinion of Counsel to the effect that certain deposits might legally be made by Farm Land Banks in Federal Reserve Banks was presented and discussed, and on motion approved, the papers to be referred to the Governor for such formal notification of these institutions as he might deem best, and the opinion of Counsel to go to the Bulletin Committee for consideration with reference to publication.

A letter from Thomas Owen & Co., as to business relations with German firms in South America was presented and on motion, was referred to Committee No. 2, Mr. Warburg Chairman.

A memorandum transmitted by Mr. Albert Strauss with reference to the proposed arrangement with the Peruvian Government as to gold exports was presented, and the Secretary instructed to say that the memorandum has the approval of the Board.

Mr. Warburg informally stated the results of certain correspondence he had recently had with Federal Reserve Agent Austin of Philadelphia, and it was agreed that he reply informing Mr. Austin that the Board would be glad to have him remain as Federal Reserve Agent during the period of the war, that being his wish.

The resignation of Miss F. P. Valiant, effective October 31, was presented and on motion accepted.

A report of the Committee on Issue and Redemption with reference to the inventory of the contents of the vault containing Federal Reserve notes was presented and ordered filed.

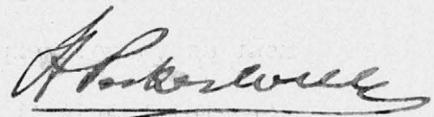
The minutes of the meeting of the Clayton Act Committee held on October 23, were presented and on motion approved and the action therein set forth ratified.

Upon recommendation of the Committee on Staff the appointment of a male stenographer in the Secretary's office at a salary of \$1200 was approved.

On motion, at 1.00 p.m., the Board adjourned, to meet on Friday, October 26, at 3.00 p.m.

APPROVED:

Chairman.



Secretary.