

At a regular meeting of the Federal Reserve Board held in the office of the Governor at 3.15 p.m. on Wednesday, October 31,

PRESENT:

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

The minutes of the meetings of the Board held on October 29 were read and, on motion, approved.

The minutes of the conference with the Pittsburgh bankers held on October 29, were presented and, on motion, approved.

The minutes of conferences with Canadian bankers held October 29 were referred to Mr. Delano.

The minutes of the meetings of the Executive Committee (gold exports) held October 30 and 31 were presented and, on motion, approved and the action therein set forth ratified.

The report of the Special Committee on Reserve Cities, made a special order for this date, was presented and, on motion, approved, and the following additional reserve cities designated as such, effective January 1,

1918, the Secretary to notify the Reserve Banks, and the Governor to notify the Comptroller of the Currency:

Buffalo, N. Y.
Toledo, Ohio.
Peoria, Ill.
Memphis, Tenn.
Grand Rapids, Mich.
Oakland, Calif.

A proposed letter addressed to the Canadian Bankers Association as to membership in the Federal Reserve system, was presented by Mr. Warburg. No objection to its transmission was offered.

A letter from Deputy Governor Treman of New York as to the use of gold in making holiday gifts, was referred to Committee No. 1 (Mr. Delano, Chairman).

A letter from Messrs. Thos. J. Owen & Company, and an opinion of Counsel relative thereto, were referred to the War Trade Board.

It was voted that the Board has no objection to the publication by the Attorney General of the United States of an opinion of November 22, 1915, relative to the Board's authority to alter the boundaries of Federal Reserve districts, the Secretary of the Board to notify the Attorney General accordingly.

On motion, the appointment of Mr. C. K. Boardman

as Assistant Federal Reserve Agent at the Federal Reserve Bank of Kansas City at a salary of \$3,000, was approved.

A letter from Hon. R. L. Owen relative to the appointment of a Federal Reserve Agent at Kansas City, and Governor Harding's reply, were read and noted.

Upon recommendation of the Committee on the Cleveland District, the following Government directors of the new Cincinnati Branch, were declared elected:

Hon. Judson Harmon Cincinnati,

Mr. Chas. K. Hinsch " "

Governor Harding announced that the Cleveland Bank would designate as its directors at Cincinnati, the following:

Mr. W. S. Rowe,

Mr. L. W. Manning,

Mr. W. C. Proctor.

It was agreed that no notification be sent to the new directors until communication had been had with the Cleveland bank.

On recommendation of Committee No. 2, it was, on motion, voted that the Battery Park National Bank, New York City, be granted power to accept drafts drawn in

Costa Rica to create dollar exchange.

On motion, the minutes of the meetings of the Clayton Act Committee, held October 29, were read and the action therein set forth ratified.

On recommendation of Committee No. 2, the following institutions were admitted as members of the Federal Reserve system upon conditions named by the Committee:

Citizens Commercial Trust Company,	Buffalo, N.Y.
Brooklyn Trust Company,	Brooklyn, N.Y.
Citizens Trust & Savings Bank,	Columbus, O.
Savannah Bank & Trust Company,	Savannah, Ga.

Governor Harding read a letter from President J. B. Forgan fixing November 19 as the date for the next meeting of the Federal Advisory Council. It was agreed that the Executive Committee map out a programme for the proposed meeting.

On recommendation of Committee No. 1, it was voted to authorize the appointment of an additional stenographer in the Division of Audit and Examination.

Upon call of Committees, reports were made as follows:

No. 1 - No report.

No. 2 - Mr. Warburg stated he was today advised of very heavy rediscounting at New York. He had telephoned to Cleveland and Philadelphia asking if those banks would be

willing to take some acceptances from the New York Bank, both banks undertaking to do so.

No. 3 - Mr. Hamlin recommended a salary of \$3,500 for Mr. Curtis R. Mosher as Assistant Federal Reserve Agent at Minneapolis, effective November 1. On motion the appointment was approved.

No. 4 - Mr. Miller reported that the Committee had met this morning and had approved the proof of the forthcoming Federal Reserve Bulletin.

Mr. Hamlin reported favoring the grant of full fiduciary powers to national banks in Minnesota and New York. After discussion, it was voted to refer the question to the Attorney General of the United States through the proper channels.

It was informally agreed that Mr. D. R. Francis, a director of the Mississippi Valley Trust Company, which has now become a member bank, may remain undisturbed as such.

Mr. Hamlin requested that Counsel be asked whether any appeal has been taken from the Ohio decision regarding the taxability of investments in Reserve bank stock.

Mr. Miller reported progress as to membership of the value of securities owned by applying State institu-

tions in the twelfth district.

Mr. Hamlin moved that the whole matter of the value of securities owned by applying State institutions be referred to a special committee. No action was taken.

Mr. Warburg reported that the trust companies of the District of Columbia would, under a current opinion of Counsel, be permitted to withdraw from the system on the same conditions as State institutions in general.

Governor Harding raised certain questions as to the status of acceptances which were referred to Committee No. 2 (Mr. Warburg, Chairman).

Governor Harding offered a list of topics for consideration at the proposed meeting with the Governors of reserve banks on Nov. 8. Discussion of relations with the Governors ensued, and it was agreed that the conference be considered as a regular meeting of the Board. The programme for the meeting was made a special order for Wednesday, November 6.

On motion, it was directed that a special meeting be held on Thursday, Nov. 1, for discussion of projected amendments to the Federal Reserve Act. *

On motion, it was voted that the Governor of the Board prepare a draft of an annual report for the Board.

A letter from Federal Reserve Agent Perrin relative to the exchange of Federal Reserve notes for gold, was ordered transferred from Committee No. 3 to the Executive Committee.

General discussion of the discount rate situation, and the policies of the system, ensued.

On motion, at 5.10 p.m. the Board adjourned.

APPROVED:

Chairman.

H. P. ...
Secretary.