

At a special meeting of the Federal Reserve Board held in the office of the Board at 11:00 a. m., on Thursday, December 30, 1917

## PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Williams Mr. Miller

Mr. Willis, Secretary.

The minutes of the meeting of Wednesday, December 29, were read and approved.

A letter from Governor Rhoads of Philadelphia relative to the absorption of exchange charges on checks deposited by the Government, having been read, the Secretary was directed to say to Mr. Rhoads that the Board would recommend to the Secretary of the Treasury that only those checks should be accepted by the Government that are drawn on banks which are members of the clearing system, but that while this recommendation is under consideration it is desired that the reserve banks should absorb exchange charges. The Secre-

tary was directed to send a statement of this action to all other reserve banks.

A draft of a letter prepared by Mr. Warburg relative to the classification of paper arising out of the sale of agricultural implements, was read and adopted, and the Secretary directed to give copies of the same to the press.

The Secretary of the Board presented the usual weekly discount notices, and a rate of 2% to 4% on open market purchases of acceptances at St. Louis, was approved.

It was informally agreed that in publishing the open market rates already made, they should be published as bankers' acceptances rates only.

The Secretary of the Board having read a telegram from Federal Reserve Agent Tenison asking for 60 days in which to prepare a brief for reply to the Louisiana banks asking for transfer, it was on motion voted to allow 30 days.

A letter from Senator Owen recommending

Mr. B. A. McKinney for appointment to the directorate of the Federal Reserve Bank of Dallas, was read to the Board and ordered filed.

The Secretary of the Board presented certain data relating to the recent circular of the Tennessee Bankers' Association. On motion it was voted to print in the forthcoming Bulletin a brief statement of points made by Messrs. Wellborn and Martin with reference to the changes contained in the circular aforesaid.

On motion it was voted that each Federal reserve bank may have separate copies of reports of its own Federal reserve agent printed at its own expense, if desired, but that the Board can not supply franks for the transmission of such reports.

A letter from Governor Strong of New York relative to the existing clearing system was read and ordered filed.

A memorandum prepared by the Deputy Settling Agent with reference to payments to the 5% Fund of Member Banks from the Gold Settlement Fund was read and referred to the committee on Gold

## Settlement Fund.

It was directed that an opinion of Counsel relating to conditions under which national banks may take out circulation, may be sent out if approved by the Governor of the Board.

Mr. Harding submitted a draft of a letter to Mr. E. M. Swinney relative to directorships and the operation of the Federal Reserve Bank of Kansas City. The letter was tentatively approved.

On motion it was voted that the resignation of Federal Reserve Agent Miller if tendered, as expected, be accepted, and that Governor Sawyer be named to the vacancy thus created, Mr. J. M. Goodrich to be named Class "C" director in place of Mr. A. E. Ramsay, resigned, for the unexpired term of the latter in the directorate of the Federal Reserve Bank of Kansas City, Mr. Goodrich to be designated for one year as Deputy Federal Reserve Agent.

The Secretary of the Board was directed to notify Mr. Malone and Mr. Miller of the action taken.

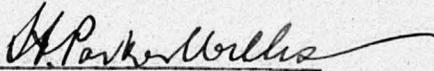
Mr. Harding reserved the right to move a reconsideration of this motion at the afternoon meeting.

A letter received from the National Shawmut Bank of Boston regarding the visit of Mr. W. H. Lough, representing the Department of Commerce, with reference to an amendment to the Federal Reserve Act, was read and ordered filed.

A letter from Federal Reserve Agent Perrin relative to the purchase of bonds at San Francisco, was read and ordered filed.

A letter from the Federal Reserve Bank of New York specifying certain acceptance credits which it was intended to grant if desired, was read and ordered filed.

On motion at 12:45 p. m. the Board adjourned to meet at 2:30 p. m. this day.

  
Secretary.

APPROVED:

  
Chairman.