

At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, January 31, at 11 a. m.,

PRESENT:

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

The minutes of the meeting of the Board on Monday, January 29, were read and, on motion, approved.

A letter from Federal Reserve Agent Curtiss transmitting correspondence relative to the taxation of trust company stock in Massachusetts as affecting membership in the Federal reserve system, was read, and, on motion, referred to the Committee on Law with the aid of Counsel.

The application of the Citizens National Bank of Monticello, Kentucky, for power to reduce its capital stock from \$50,000 to \$25,000, duly recommended by the Comptroller of the Currency, was, on motion, approved.

The application of the National Bank of Commerce of Seattle, for power to decrease its capital stock from \$1,200,000 to \$1,000,000, duly recommended by the Comptroller of the Currency, was approved.

A letter from Governor Wold of Minneapolis addressed to Mr. Hamlin, with reference to the purchase of bonds by national banks under a ruling of the Comptroller of the Currency, was, on motion, referred to the Committee on Law.

A letter from Governor Fancher of Cleveland with reference to the direct transmission of unfit Federal reserve notes to the Treasury at Washington, was read and, on motion, referred to the Committee on Issue and Redemption.

A letter from the Comptroller of the Currency making recommendation for increases in salaries of National Bank Examiners, was presented, and, on motion, referred to the Committee on Staff.

A letter from the Secretary of the Treasury transmitting a letter from the Secretary of State with reference to a proposed arrangement whereby the Bank of Russia would hold gold in trust for Federal reserve banks, was referred to the Executive Committee.

The Secretary of the Board presented the question of the management of the weekly gold settlement with special

reference to the settlement of Thursday, February 1, suggesting that the transfer of the deputy settling agent to the Board's examination staff made it advisable to introduce certain changes of detail into existing methods. On motion the matter was referred back to the Committee on the Gold Settlement Fund with the understanding that the settlement of Thursday, February 1, would be managed as nearly as possible on the same plan as in the past.

A report of the Committee on Staff recommending certain changes in salaries was presented to the Board, and, on motion, approved, the following salary changes being thereby ordered:

- Mr. J. A. Broderick from \$6,000 to \$7,200 per annum;
- Mr. Morris Jacobson from \$3,600 to \$4,200 per annum.

Salaries at the new rate were made effective as of February 1, 1917.

A report of the Committee on Staff approving the salary roll of the Federal Reserve Bank of Philadelphia as transmitted in letters under date of January 3 and January 25, was, on motion, approved, and the Secretary directed to give notice accordingly.

On motion it was voted to submit to the Secretary of the Treasury a memorandum relating to the issue of Government bonds, which had been prepared at the request of the Board, such memorandum to pass through the hands of the Executive Committee and be transmitted as approved by them.

Mr. Warburg reported informally as to the hearing given by the Board's Committee on the Clayton Act to President Fulton of the Commercial National Bank of New Orleans. No action was taken.

Mr. Warburg reported the status of the work of the Committee on Investments with reference to the purchase of acceptances at the Federal Reserve Bank of Chicago. The matter was referred to the Executive Committee with power to send a suitable letter to Governor McDougal of the Chicago Bank.

On motion at 12.05 the Board adjourned.

APPROVED:

H. Parker Wilder
Secretary.

Chairman.