

At a regular meeting of the Federal Reserve Board held in the office of the Board on Friday, November 16, at 3:15 P. M.,

PRESENT:

- Mr. Harding, presiding Mr. Hamlin,
- Mr. Delano, Mr. Willis, Secretary.
- Mr. Williams,

Governor Harding presented a redraft of the by-laws for use by branches of Federal Reserve banks, which was informally discussed and agreed to.

The minutes of the meeting of the Executive Committee held on November 15 were read and amended and, on motion, approved as amended.

The minutes of the meetings of the Executive Committee held on November 12-16 (Gold Exports), were presented and, on motion, approved, and the action therein set forth ratified.

Mr. Williams was recorded as not concurring in that part of the Board's decision with reference to the proposed financing of the American Tobacco Company set forth in the minutes of the Executive Committee of November 15, which held that a warehouse custodian entrusted with the duty of holding tobacco used as security against

acceptances, might be regarded as an independent custodian, notwithstanding that he was in the employ of the American Tobacco Company at the time.

There ensued general discussion of the policy of financing the American Tobacco Company on the lines outlined in recent communications to the Board, and discussed in the letter to Federal Reserve Agent Jay contained in the minutes of the meeting of the Executive Committee held on November 15.

Mr. Hamlin gave notice that tomorrow, Saturday, November 17, at eleven A. M., the Japanese Mission expected to pay its respects to the Secretary of the Treasury, and would immediately thereafter call on the Federal Reserve Board for the same purpose.

A letter written by Federal Reserve Agent Perrin to Mr. Miller, under date of November 8 relative to the assets of the Bank of Italy, of San Francisco, was read and, on motion, referred to Committee No. 2.

Discount rate sheets for the current week, no change being requested, were presented, and ordered passed to file.

A report of Committee No. 1 recommending that war savings certificates be called to the attention of banks

and individuals as a substitute for gold as holiday presents, was read and approved, and the Secretary directed to reply to letters of inquiry to that effect, sending a copy of his letter to each Federal Reserve bank.

Governor Harding announced that the Federal Reserve Bank of Chicago was now willing to establish a branch at Detroit, but that it was desired that the Board should take previous action. On motion, it was voted that it is the sense of the Board that this branch be established, and also that the Governor transmit to the Federal Reserve Bank of Chicago and to Detroit, the new by-laws agreed to at this meeting as a basis for the organization of the Detroit Branch. It was further agreed that the by-laws be likewise transmitted to Governor Wells of the Federal Reserve Bank of St. Louis for use at the Louisville Branch.

The Comptroller of the Currency read a letter recently written by him in which he set forth his views as to the classification of time and demand deposits, which was duly noted.

On recommendation of Committee No. 2, the application of W. R. Grace & Company's Bank for permission to

accept up to 100% of capital and surplus for foreign account, was approved.

The minutes of Committee No. 3 relative to the application of Mr. A. T. Ellis for permission to serve as director of certain institutions (November 15) were read and, on motion, approved, and the action therein set forth ratified.

On recommendation of Committee No. 2 the following institutions were ordered admitted to the Federal Reserve system subject to the conditions set forth by the Committee to each individual case:

Central Bank & Trust Corporation	Atlanta, Ga.
Passaic Trust & Safe Deposit Co.	Passaic, N. J.
Germania Bank of the City of New York	New York City.
Bridgeport Trust Company	Bridgeport, Conn.
Union Bank	Jackson, Mich.
Kent State Bank	Grand Rapids, Mich.
Kaspar State Bank	Chicago, Illinois.

Upon recommendation of Committee No. 1 the employment of two additional male stenographers was authorized as follows:

Wilbur S. Finch in the Division of Audit and Examination at a salary of \$1,200 per annum;

Charles R. Jett in the Office of the Secretary of the Board, at a beginning salary of \$75 per month.

On motion, at 4:15 P. M. the Board adjourned.

APPROVED:

A. P. Redwood

Secretary.

Chairman.