

At a regular meeting of the Federal Reserve Board held in the Board Room, on Wednesday, November 28, 1917, at 3:14 P. M.,

PRESENT:

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

The minutes of the meeting of the Board held on November 26, were read and on motion approved.

The minutes of the meetings of the Executive Committee held on November 27 and 28 were presented and on motion approved and the action therein set forth ratified.

The special order for the day, the question of discount rate changes at various Federal Reserve banks, was then taken up for consideration. On motion it was voted that Committee No. 2 be requested to make a grouping of the classes of rates with a designation of each class by number or letter so that in future correspondence with Federal Reserve Banks, proposed changes in rates can be designated by letter or code word, thus avoiding descriptions.

Governor Harding reported that on the 27th instant telegrams had been sent to the Federal Reserve Banks of Dallas, Chicago, Minneapolis, and Cleveland, establishing at these banks rates of discount in harmony with the suggested rates already placed before these banks by the Board in a telegram transmitted by him under date of November 21, and otherwise. The approvals had simply carried into effect at these banks the general rate scheme which had been approved for other Federal reserve banks at a meeting on Monday, November 26. (Boston, and New York being still omitted.)

On motion the action of the Executive Committee thus taken on the 26th of November with reference to the four Federal Reserve Banks named was approved.

Governor Harding reported the situation at the Federal Reserve Bank of New York with respect to rates. Discussion ensued and it was moved that the matter be laid on the table until the meeting of Monday, December 3, at which time it should be made a special order for discussion. Mr. Miller offered as a substitute a motion to the effect that the proposed increases in the 90 day

rate on paper secured by government obligations be made effective at once, but that the short term or 15 day rate on such paper be deferred until December 15, when it should go into effect at the rate of 3 $\frac{1}{2}$ %. On being put to a vote the substitute was defeated, and the original recurring, was declared carried.

The question of rates at the Federal Reserve Bank of Boston was, by unanimous consent, laid on the table for the present.

The whole question of the new rate schedule and any necessary revision in the schedule already adopted, was referred to Committee No. 2, and that Committee was requested to prepare a statement for the press with reference to the Board's changes in discount rates, and the secretary of the Board was instructed to make the same public.

A memorandum from Mr. Albert Strauss, member of the War Trade Board, to the effect that no permit be granted for the exportation of gold or silver to any of the European countries without the approval of the War Trade Board, was presented to the Board and, on motion, an order was made in accordance therewith.

The Secretary of the Board reported that there was a desire on the part of some investigators that the proposed weekly reports of member banks be made to include an item designed to show individual deposits subject to check. After discussion, the matter was on motion referred to the Executive Committee with power, if it chose, to issue instructions to Federal Reserve banks to request member banks to get statements of individual deposits subject to check.

Upon favorable report of Committee No. 2, it was, on motion, voted to permit the Seaboard National Bank of Norfolk, Va., to accept up to 100% of capital and surplus.

Upon favorable report of Committee No. 3, it was, on motion, voted to grant to the First National Bank of Manchester, Ia., full fiduciary powers (trustee, executor, administrator and registrar of stocks and bonds.)

Upon recommendation of Committee No. 3 it was, on motion, voted that in accord with an opinion of Counsel, received after consultation with Assistant Post Master General Dockery, State member banks may receive on deposit post office funds other than postal savings deposits.

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Governor Harding presented a recommendation from the Committee on Law with respect to the status of the Texas Bank & Trust Company of Galveston. The opinion was concurred in, and it was voted that a letter to Federal Reserve Agent Ramsey be written to that effect by the Governor.

A telegram from Federal Reserve Agent Martin inquiring whether under the new branch by-laws the Branch Bank at Louisville should report direct to the Federal Reserve Board or through the parent bank, was ordered answered with the statement that reports should be made through the parent bank at St. Louis.

Committee No. 2 reported with reference to the question of reports to be made by member banks at stated intervals during the year, favoring five reports per annum on dates identical with those selected by the Comptroller of the Currency for his calls. After further discussion, it was agreed to make the whole matter a special order for the meeting of Monday, December 3, the Governor to inform the Comptroller that it was desired to have five reports from both state and national member banks, and if possible to get them on dates that would coincide with those of the Comptroller's office for national banks.

Upon recommendation of Committee No. 1, Miss Susan K. Wyatt of the Division of Statistics, was appointed a permanent member of the Board's staff at a salary of \$1,000 per annum, effective December 1.

A report of Committee No. 3 relative to an opinion of Counsel regarding certain acceptances made by the Guaranty Securities Corporation, was filed with the Board and ordered circulated.

On motion, Mr. Hamlin was authorized to visit New York at the expense of the Board on December 8 for the purpose of speaking at a dinner to be tendered the Japanese Financial Commission at that time.

Upon recommendation of Committee No. 2 the applications of the following named banks for membership in the Federal Reserve System, were approved subject in each case to the conditions named by the Committee:

Commercial Trust Company, Philadelphia, Pa., for 1650 shares in the Federal Reserve Bank of Philadelphia

The Plainfield Trust Co., Plainfield, N. J., for 300 shares in the Federal Reserve Bank of New York.

Camden Safe Deposit & Trust Co., Camden, N. J., for 780 shares in the Federal Reserve Bank of Philadelphia.

The Bank of Genesee, Batavia, New York, for 124 shares in the Federal Reserve Bank of New York

Union Trust & Savings Bank, Flint, Michigan, for
141 shares in the Federal Reserve Bank of Chicago.

The Morrill & James Bank, Hiawatha, Kansas, for
90 shares in the Federal Reserve Bank of Kansas City.

Butler Banking Company, Hood River, Ore., for
72 shares in the Federal Reserve Bank of San Francisco.

Metropolitan Trust Company, Boston, Mass., for
360 shares in Federal Reserve Bank of Boston.

Conrad Trust & Savings Bank, Helena, Mont., for
168 shares in Federal Reserve Bank of Minneapolis.

On motion at 4:55 P. M. the Board adjourned.

APPROVED:

Chairman.

A. Porter Wells

Secretary.