

At a regular meeting of the Federal Reserve Board held in the Board Room on Monday, December 3, 1917, at 3:00 P. M.,

PRESENT:

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

The minutes of the meeting of the Board held on November 30 were read and on motion approved.

The minutes of the meetings of the meetings of the Executive Committee held on November 28 and 30 were presented and on motion approved and the action therein set forth ratified.

The first special order for the day, the discount rate question, was taken under advisement. Governor Harding stated the substance of a conference he had had with Governor Strong of the Federal Reserve Bank of New York, regarding the discount rates, and general discussion ensued.

On motion it was voted that beginning with Wednesday, December 5, the stated meeting of the Board be at 11 A. M. instead of at 3 P. M., as at present, the meeting days to be the same as now.

The report of Chief Examiner Broderick as to the recent examination of the Federal Reserve Bank of Atlanta, was presented and on motion referred to the Committee on operation of the Federal Reserve Bank of Atlanta.

A letter from Federal Reserve Agent Jay, relative to unifying state bank legislation regarding reserve requirements was read and on motion referred to Counsel with request for a list of states in which such legislation is needed.

A letter from Federal Reserve Agent Austin regarding the renewal of six months demand notes was read and the Secretary directed to make further inquiry from Mr. Austin.

An opinion of Counsel as to the status of Mr. J. Davis Brodhead (lately appointed under the Alien Property Custodian) as director of the Federal Reserve Bank of Philadelphia, was read and on motion it was voted that Mr. Brodhead should cooperate with the Board in applying the Board's earlier ruling regarding the holding of public office by directors.

A letter from Federal Reserve Agent Wellborn

advising the Board of his action regarding the retirement of the stock held by the Hibernia National Bank of New Orleans, was read and referred to Counsel.

Upon recommendation of Committee No. 2, it was, on motion, voted to grant power to accept up to 100% of capital and surplus to the Union Trust Co., of Pittsburgh, Pa.

Upon recommendation of Committee No. 3, the application of J. W. Gilliland to serve at the same time as director of certain named banks was approved.

A request of Assistant Postmaster General Dockery for an appointment with the Board was referred to the Governor with the suggestion that he meet Mr. Dockery and if necessary, make a later appointment for him with the Board.

It was ordered entered in the minutes that the Board had received from the Attorney General of the United States in reply to the Board's recent request, an opinion stating that national banks in New York may not under existing law exercise the full fiduciary powers provided in the Federal Reserve Act.

Upon report of Committee No. 1 (a) dated December 1, it was voted to appoint Mr. Mark A. Lies of the Fed-

eral Reserve Bank of Chicago Assistant Federal Reserve Agent, such appointment to be valid until December 31, 1917.

Upon recommendation of Committee No. 2, it was, on motion, voted to admit, upon conditions named by the Committee, the following institution:

German American Bank, New York City.

A general discussion of the question of credit expansion ensued.

The question of changing the present method of making regulations for the issuing of Federal Reserve notes was referred to Counsel, to be taken up with the Governor.

The application of the National City Bank for authority to constitute its subbranch at Montevideo an independent branch was considered and on recommendation of counsel the application was granted and the following order entered:

At a Stated meeting of the Federal Reserve Board, duly held at its office in the City of Washington, District of Columbia, on December 3, 1917.

P R E S E N T:

- Mr. Harding, presiding,
- Mr. Warburg,
- Mr. Hamlin,
- Mr. Miller,
- Mr. Delano.

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In the Matter

-of the-

Application of The National City  
 Bank of New York, for leave to  
 constitute its sub-branch, agency  
 or office in Montevideo, Republic  
 of Uruguay, of its Branch in the  
 City of Buenos Aires, Argentine  
 Republic, an independent Branch.

:  
 : ORDER GRANTING LEAVE TO  
 : CONSTITUTE THE SUB-  
 : BRANCH, AGENCY OR OFFICE  
 : IN THE CITY OF MONTEVI-  
 : DEO, REPUBLIC OF URUGUAY,  
 : AN INDEPENDENT BRANCH.

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The National City Bank of New York having filed an Application with this Board for the purpose of obtaining authority to establish a Branch in the City of Buenos Aires, Argentine Republic, and the said Application having been granted by this Board by an order dated September 2, 1914, and the said Branch having thereafter been opened and being now in operation, and the said Bank having filed a further Application with this Board for the purpose of obtaining authority to establish in the City of Montevideo, Republic of Uruguay, a sub-branch, agency or office of its said Branch in the City of Buenos Aires, Argentine Republic, and the said further Application having been granted by this Board by an Order dated April 16, 1915, and the said sub-branch, agency or office having thereafter been opened and being now in operation, and the said Bank having now filed a further Application with this Board for the purpose of obtaining authority to constitute the said sub-branch, agency or office in the City of Montevideo, Republic of Uruguay, an independent Branch of the Bank, and the said further Application having been considered, and it appearing that the said Application is properly made under the laws of the United States of America and should be granted, Now, therefore, it is

ORDERED, that the said Application be and it hereby is approved and that the said Bank be and it hereby is authorized to constitute the said sub-branch, agency or office in the City of Montevideo, Republic of Uruguay, an independent Branch of the Bank.

BY THE FEDERAL RESERVE BOARD,

W. P. G. Harding,  
Governor.

Attest:

H. Parker Willis  
Secretary.

A letter from Governor Aiken, regarding the status of certain cotton mill paper was presented and referred to Committee No. 2 (Papers in Mr. Warburg's hands).

A letter from the Federal Reserve Bank of Boston informing the Board that it had fixed rates in accordance with those in force in other banks, was read and the rates approved.

Governor Harding read a letter addressed to Mr. F. I. Kent regarding his service for the Board and on motion the transmission of the letter was authorized, the Governor to get the approval of the Comptroller of the Treasury as to reimbursement for expenses.

Governor Harding read a telegram from Mr. J. S. Drum, of Los Angeles, regarding the question of a special session of the California Legislature. The telegram was

discussed and on motion referred to the Governor. Mr. Miller was requested to communicate with Federal Reserve Agent Perrin.

Letters from Federal Reserve Agent Perrin as follows:

A letter regarding a proposed pension system, referred to Committee No. 3.

A letter regarding location of office of the Chief National Bank Examiner in the new building of the bank, referred to Governor Harding.

A letter as to clearances through the bank by the Assistant Treasurer of the United States. Noted.

A letter from the National Non-Partisan League regarding the question of aid to farmers through Federal Reserve Banks was read and discussed, and the letter referred to the Governor for transmission to Federal Reserve Agent Rich and Mr. Herbert Quick of the Farm Loan Board.

Letters from the First National Bank of Albuquerque, and from Federal Reserve Agent Ramsey, regarding the possible transfer of the bank to another district was read but no action taken.

A report of Committee No. 1, regarding the salary of W. D. Wellborn, at New Orleans, was read and adopted.

A report of Committee No. 1, dated December 1, relative to the classification of Mr. J. E. Bizzell, with reference to draft, was read and approved.

On motion it was voted that a member of the Board be designated to visit Boston to aid in entertaining the Japanese Financial Commission.

A memorandum of the Secretary of the Board regarding present practice as to the Executive Folders was read and noted.

The report of the Committee having in charge the question of reports by member banks (made a special order for the day) was read and discussed and on motion, it was voted to recommit the report.

A telegram from Governor Wold naming rates of discount as follows was read and the rates approved:

Commercial paper 16-60 days	4 $\frac{1}{2}$ %
Commercial paper 61-90 days	5%
Agricultural and livestock paper	91-180 days 5 $\frac{1}{2}$ %

On motion, at 5:20 P. M. the Board adjourned to meet at 11 A. M. on Wednesday, December 5.

APPROVED:

                      
Chairman.

*A. Porter Wells*  
                      
Secretary.