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At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, January 2, at eleven a.m.,

PRESENT:

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

The minutes of the meeting of the Board held on December 31 were read and, on motion, approved.

The minutes of the meeting of the Executive Committee (gold exports) held on January 2, were presented and, on motion, approved and the action therein set forth ratified.

The report on the pledging and endorsing of paper, made the special order of the day, was passed over by unanimous consent; and was made a special order for Friday, January 4.

The Secretary of the Board gave notice that acceptance of appointments had been received from Messrs. W. B. Newsome, Jas. E. Zunts and Chas. A. Harrison (Philadelphia).

Letters from Federal Reserve Agent Ramsey re the proposed branch at El Paso were read and, on motion, referred to the Dallas Committee for formal report; the Committee meanwhile to inquire into the possible future status of El Paso as a reserve city.

Reports of Committee No. 1 were read and approved as follows:

Dated Dec. 31	Salaries at Chicago;
" " 31	" " San Francisco;
" Jan. 2	" " Dallas;
" " 2	Salary of W. S. Donald.

Governor Harding presented a letter from Mr. J. R. Mitchell of St. Paul regarding the establishment of priorities in capital issues, and the general question of an organization to deal with the whole subject. Discussion ensued, and it was agreed that the Executive Committee to which the matter had already been referred, proceed actively with the study of the whole subject.

The Secretary of the Board reported the receipt of notice from Secretary McLallen of the Federal Reserve Bank of Chicago informing the Board of the reelection of Mr. Jas. B. Forgan as a member of the Federal Advisory Council for 1918.

Governor Harding submitted business as follows:
By-laws for the Detroit Branch, also

A letter from the Federal Reserve Bank of Chicago stating the election of Mr. R. B. Locke as manager at \$6,500 per annum. These were referred to the Chicago Committee.

Letters regarding proposed changes in the classifica-

tion of savings accounts.

A letter from Senator Wadsworth re deposits of public funds in Federal Reserve banks; referred to the Executive Committee.

Telegrams from Chicago and Atlanta re balance of earnings held for the Government; these and any others that might be received on the same subject referred to the Executive Committee with power to make payment to the Government and announce the same.

Mr. Hamlin having reported that it was held legal for Federal Reserve banks to take a power of attorney from a member bank in lieu of endorsements, the matter was tentatively discussed and, on motion, it was agreed to defer action until Friday, January 4.

The annual report, draft of which had been submitted to all members, was presented and made a special order for a meeting to be held on Saturday, January 5, at eleven a.m.

On recommendation of Committee No. 2 the Merchants National Bank of Richmond was authorized to purchase 368 shares in the American Foreign Banking Corporation.

A letter from Mr. H. B. Harris asking permission to create a branch of the American Foreign Banking Corporation

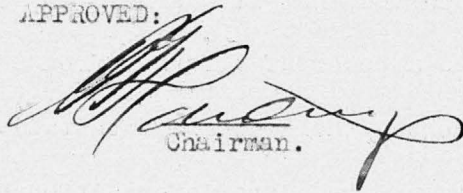
at Port au Prince, was referred to Committee No. 2.

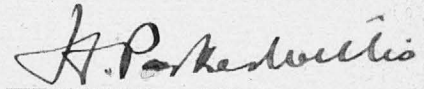
A letter from Mr. Marcus Walker of the New Orleans Branch of the Federal Reserve Bank of Atlanta, regarding the probable lending policy of the Federal Reserve banks, was read and discussed.

On recommendation of Committee No. 3 the application of Mr. A. E. Carlton under the Clayton Act, was approved.

At 12.10 p.m. the Board adjourned.

APPROVED:


Chairman.


Secretary.