

At a special meeting of the Federal Reserve Board held in the office of the Board on Friday, January 11, at three p.m.,

PRESENT:

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

The special business of the meeting, the consideration of salaries at Federal Reserve banks, was taken up for consideration, and after discussion, reports of Committee No. 1 were acted upon as follows:

Dated January 11, re salary of Mr. W. F. McLallen. Adopted.

Dated January 11, re officers' salaries at the Federal Reserve Bank of New York:

In discussing this report, Mr. Williams moved to amend the report by substituting a salary of \$36,000 for \$40,000 for Governor Strong, but on being put to a vote the amendment was defeated. Mr. Miller was recorded in the affirmative.

At this point Mr. Williams was excused.

On being put to a vote, a motion to fix Governor Strong's salary at \$50,000, as proposed by the Federal Reserve Bank of New York, was defeated.

On being put to a vote, a motion to fix Governor Strong's salary at \$40,000, as recommended by the Committee, prevailed.

On being put to a vote, a motion to fix the salary of Mr. J. F. Curtis at \$18,000, as proposed by the Federal Reserve Bank of New York, was lost.

On being put to a vote, the salary of Mr. J. F. Curtis was continued at \$15,000, as recommended by the Committee.

A motion to fix the salary of Mr. L. F. Sailer at \$18,000, as named by the board of directors of the New York Bank, was lost.

A motion to fix the salary of Mr. Sailer at \$15,000, as named by the Committee, was carried.

There being no call for a vote on other salaries, the entire Committee report was declared adopted.

Dated January 11, re employees' salaries at the Federal Reserve Bank of New York. Adopted.

Dated January 11, re officers' salaries at the Federal Reserve Bank of Cleveland:

A motion to fix the salary of Governor Fancher at \$25,000, as proposed by the board of directors, was lost.

A motion to fix Governor Fancher's salary at the present figure of \$20,000 was lost.

A motion to fix Governor Fancher's salary at \$22,000, the figure named by the Committee was carried. Mr. Miller was recorded in the negative.

A motion to fix the salary of Federal Reserve Agent Wills at \$18,000, was lost.

A motion to fix the salary of Federal Reserve Agent Wills at \$15,000, as named by the Committee, was carried. Mr. Miller was recorded in the negative.

On motion, the remainder of the Cleveland report was adopted.

Dated January 11, 1918, re salaries at the Federal Reserve Bank of Philadelphia. Adopted.

Dated January 1, 1918, re salaries at the Federal Reserve Bank of Richmond. Adopted.

Dated January 1, 1918, re a proposed reduction in the service charge at Chicago from $1\frac{1}{2}$ cents to 1 cent per item. Adopted.

Governor Harding raised the question of providing for new quarters needed by the Statistical Division, and the question of expense involved in passing upon priorities regarding capital issues.

At this point Assistant Secretary of the Treasury Rowe

informally conferred with the Board as to the exchange agreement with Argentina, as well as with regard to the shipment of gold to Mexico.

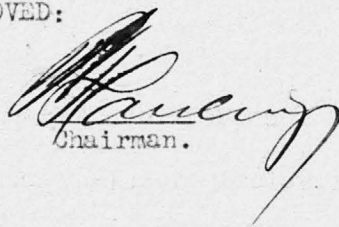
Mr. Delano reported that the application of the Westinghouse Company for the Board's opinion regarding its financing showed that the Company wished to issue \$15,000,000 in new notes to take up an equal sum of old notes now outstanding. The company was engaged to the extent of 80% of capacity on war work.

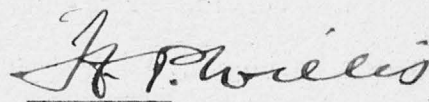
On motion, it was voted that on the assumption the facts regarding the financing are as stated, the Board will interpose no objection to the proposed financing.

On motion, it was voted that the Governor and Vice Governor draw a form of reply for use in this and similar cases.

At 5 p.m. the Board adjourned.

APPROVED:


Chairman.


Secretary.