At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, January 26, at eleven a.m.,

PRESENT:

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

The minutes of the meetings of the Board held on January 25 and 26 were read and, on motion, approved.

The minutes of the meetings of the Gold Export Committee held on January 26 and 28 were presented and, on motion, approved, and the action therein set forth ratified.

Mr. Warburg stated that question had been brought up by a representative of the Philadelphia Ledger with respect to the alleged withdrawal of Governor Rhoades on account of irregularities at the Federal Reserve Bank of Philadelphia, and that it had been suggested that the Attorney General's office be asked to investigate the source of the rumors in question. On motion, Mr. Hamlin was requested to take the matter up with the Attorney General's office.

The question of the Comptroller's recommendation to Congress favoring a guaranty of bank deposits, discussed
at the meeting of January 26, was brought up, and Mr. Warburg stated that Governor Harding had written a letter on the subject to Secretary of the Treasury McAdoo. After consideration the matter was deferred until after the return of Governor Harding.

A letter from Mr. Albert Strauss regarding the use of silver behind silver certificates, and transmitting a copy of a proposed bill on the subject, was read, and Mr. Hamlin stated that in accordance with instructions of the Board, he had drafted a substitute measure embodying the Board's views as agreed on. The matter was laid on the table until the return of Governor Harding, copies of Mr. Strauss's bill and a memorandum of Mr. Warburg to be sent to each member of the Board.

A letter from Assistant Secretary of the Treasury Legg-Singwell transmitting a letter from the Manufacturers' National Bank of Troy regarding the use of Government bonds as collateral against bills at Reserve banks, and the question of stamps on bank paper, was read and, on motion, Governor Harding was requested to take the matter of the stamp tax up with the proper committee of Congress if necessary, for further inquiry.

Correspondence with Governor Seay regarding the organization of the Baltimore Branch Bank, in which Governor Seay named
the personnel chosen by the Richmond Bank, was read and referred to the Richmond Committee so far as relates to personnel, and to Committee No. 1, so far as relates to salaries.

Correspondence with Federal Reserve Agent Perrin re the absorption of the Lambergen's National Bank and the date to which dividends should be paid on its stock in the Federal Reserve Bank of San Francisco, was presented and referred to Committee No. 3.

A letter from Federal Reserve Agent Martin transmitting a list of salaries at the Louisville Branch of the Federal Reserve Bank of St. Louis, was presented and, on motion, referred to Committee No. 1.

A letter written by the Secretary of the Board under date of January 26, regarding the treatment of deposits made in favor of the Argentine Government as gold, was read and, on motion, approved.

A letter from Federal Reserve Agent Ramsey re the establishment of a branch at El Paso, was read and referred to the Dallas Committee.

A letter from Federal Reserve Agent Perrin regarding the treatment of abraded gold coin at the Federal Reserve Bank of San Francisco, was presented and ordered circulated.
On recommendation of Committee No. 1 the salary of Mr. J. S. Mean of the Board's staff was fixed at $1500 per annum, effective February 1.

Reports of Committee No. 2 were presented and, on motion, approved as follows:

Dated January 26, recommending the admission of State institutions on conditions named in each case, and the institutions ordered admitted as follows:

Bank of Southwestern Oregon, Marshfield, Oregon,
Farmers & Merchants Bank, Chelsea, Michigan,
G. W. Jones Exchange Bank, Marcellus, Michigan,
Merchants Trust Company, Lawrence, Mass.,
Harkle Banking & Trust Company, Hazleton, Pa.,
Centralla State Bank, Centralia, Wash.

Dated Jan. 25, recommending 100% acceptance powers for the Bank of Manhattan Co., of New York.

" 26, recommending 100% acceptance powers for the Corn Exchange National Bank of Philadelphia.


" 26, recommending permission for the Indiana National Bank of Indianapolis to purchase stock in the American Foreign Banking Corporation.

" 26, approving Lee Higginson & Co. and Spencer Trask & Co. as depositaries for the Alien Property Custodian.

On recommendation of Committee No. 3, fiduciary powers were approved as follows:
German American National Bank, Arlington, Ia., trustee, executor and administrator.
Third National Bank, St. Louis, Mo., trustee, executor, administrator and registrar.
Home National Bank, Thorntown, Ind., trustee, executor, administrator and registrar.
City National Bank, Berlin, N.H., trustee.

A report of Committee No. 3 recommending that Governor Harding be requested to communicate with Mr. H. N. Randolph of the Federal Reserve Bank of Atlanta as to proposed reserve legislation along the same lines as already adopted in Pennsylvania, was read and a letter ordered sent accordingly.

Mr. Delano presented a recommendation of Chief Examiner Broderick regarding the handling and treatment of transfer drafts, and recommending certain modifications in Section 4 of Governor Harding's circular letter of May 16, which was read and the proposed change approved, the documents to be referred to Committee No. 1 for action.

Mr. Warburg as Chairman of the Priorities Committee reported that the Advisory Committee on that subject would consist of Mr. Allen Forbes, of New York, Mr. F. W. Goff, Cleveland, and Mr. W. C. Flower, Kansas City, that Mr. B. W. Palmer of Boston would act as counsel, Mr. Stephen Selden as Executive Secretary, and Mr. J. Q. Newton in charge of the office under the Executive Secretary, all serving without compensation. On
motion, the appointment of those named, all to act without salary, was approved.

Mr. Warburg further stated that the Committee on Priorities would from time to time submit minutes of its action for approval by the Board, in the same manner as the Gold Export Committee.

On motion, at 12.30 p.m. the Board adjourned.

APPROVED:

[Signature]
Chairman.

[Signature]
Secretary.