At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, January 30, at eleven a.m.,

PRESENT:

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

The minutes of the meetings of the Board held on January 26 and 29 were read and, on motion, approved.

The minutes of the meetings of the Gold Export Committee held on January 29 and 30 were presented and, on motion, approved.

The minutes of the meetings of the Gold Export Committee held on January 29 and 30 were presented and, on motion, approved and the action therein set forth ratified.

On motion, the title of the Priorities Committee was ordered changed to Capital Issues Committee.

The minutes of the meeting of the Capital Issues Committee of January 25 were presented and, on motion, approved and the action therein set forth ratified.

A draft of a proposed letter addressed to the Banking and Currency Committee of Congress regarding the Comp-
troller of the Currency's recommendation of a guaranty of certain bank deposits, was read, discussed, and, on motion, it was ordered that the letter be redrafted so as to omit all argument and to state that a majority is opposed to the proposed legislation at present, and if any action is to be taken on the subject, the Board asks to be given a hearing. It was agreed that Mr. Miller and Mr. Hamlin make the redraft of the letter.

At this point the Comptroller withdrew from the meeting.

A letter from Governor Horst as to the basis of computing interest on rediscounts between Federal Reserve banks being read, it was, on motion, voted that in all transactions between Federal Reserve banks all computations be made on the basis of true interest, 365 days to the year; the Governor to advise all Reserve banks.

A letter from Federal Reserve Agent Austin inquiring regarding the definition of savings deposits in Philadelphia, was read and referred to the Governor with power to act.

Governor Harding reported the substance of a conversation with the officers of the Federal Reserve Bank of New York re the status of reserves of Brooklyn national banks as reserves of banks situated in a central reserve city.
Mr. Delano moved that pending the investigation by Counsel of the question of the right of Brooklyn banks being classed as Reserve City and not as Central Reserve City banks, the Governor be authorized and directed to instruct the New York Federal Reserve Bank that penalties against the banks affected be not pressed during pendency of the question.

A letter from Federal Reserve Agent Ramsey stating the selection of directors at Omaha and Denver by the Federal Reserve Bank of Kansas City was read and noted.

A letter from Governor Miller re rates of exchange on drafts and transfers on Federal Reserve cities, was read and, on motion, referred to Committee No. 1; - that Committee to say that representatives of the Kansas City Clearing House Association could be given a hearing up to February 11.

A memorandum from Counsel re form of negotiable trade acceptances was, on motion, referred to Committee No. 2.

A letter from Mr. Edward Stern to the Secretary of the Treasury re a new issue of legal tender notes, was presented and noted.

A letter from the Farmers Savings Bank of Center Point, Ia., to the Secretary of the Treasury, asking rec-
tification of an error made in remitting for Liberty Bonds, was presented and referred to Governor Harding with power.

A memorandum of Counsel as to a letter of Governor Strong re the application of the 10% limitation on paper secured by Liberty Bonds was read, and, on motion, referred to the Governor for action.

A letter from Federal Reserve Agent Ramsey re the recent defalcation at the Federal Reserve Bank of Dallas, was presented and Governor Harding reported briefly as to the organization of the Liberty Loan department of the Dallas Bank. The letter was referred back to Governor Harding.

On motion, it was voted that each Federal Reserve agent be requested to pay special attention to the auditing of the bank and report to the Board as to progress made from time to time, with special reference to the next Liberty Loan; and that each Federal Reserve agent be reminded of his dual function as a representative of the Board and as chairman of the board of directors.

On motion, there was referred to the Executive Committee the administration of the Federal Reserve Bank of Philadelphia, as revealed by recent examination, with power to determine how the organization of the bank can be placed.
on a sound footing.

Papers relating to the matter of making loans secured by Liberty Bonds, transmitted by Assistant Secretary of the Treasury Leffingwell, referred to Governor Harding at the last meeting of the Board, were referred back to Governor Harding for further action.

A memorandum of Counsel re a restrictive endorsement on paper placed by Federal Reserve agents with Federal Reserve banks for collection, was read and it was agreed to ask Special Counsel Cotton for an opinion, the matter to be disposed of by the Governor.

A letter from Federal Reserve Agent Perrin asking approval for the establishment of a branch of the Federal Reserve Bank at Salt Lake City, was read and referred to Mr. Miller for investigation.

Mr. Harding reported informally as to the proposed organization of a branch of the Federal Reserve Bank of Dallas at El Paso, calling attention to estimates of cost of installation and operation. It was voted to send a copy of the Baltimore Branch by-laws and inquire whether a similar type of organization at El Paso would fill the requirements of the case.
A revised draft of the Baltimore by-laws was presented and, on motion, approved.

On motion of Mr. Miller, it was voted to obtain further data regarding the cost of army remittances to the northwestern branches.

On motion, the Board ordered the publication of instructions to dealers in foreign exchange, the matter being referred to the Governor for decision as to the mode of publication.

On motion, it was ordered that Mr. F. I. Kent be designated as Director of Division of Foreign Exchange.

A letter from Federal Reserve Agent Jay relative to the salary of Mr. R. H. Gidney, was referred to Committee No.1.

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

Dated Jan. 30, approving the appointment of L.E. Parker at $60 per month at San Francisco.

" " 29, " salaries at the Baltimore branch.

" " 30 " " Louisville Branch.

" " 30 " for national bank examiners.

" " salary of Albert C. Johnson at $35 per month, effective January 30.

" " salary of F. W. Sweitzer at $1440 per annum, effective on taking the place.
Dated Jan. 30, approving the salary of Mrs. Chamberlain at $1400 per annum.

" " " " resignation of Mrs. Helen J.P. Starr.

" " 30, " compensation of $2500 to Mr. Kent for services to the New York Bank.

" " 30 " 30 days' sick leave for Messenger Browne.

A report of Committee No. 3 approving the application of Mr. Alexander A. McRae under the Clayton Act, was read and, on motion, approved.

At 1.15 p.m. the Board adjourned to meet on Friday, February 1.

APPROVED:

[Signature]
Chairman.

[Signature]
Secretary.