

At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, February 11, at eleven A. M.,

PRESENT:

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

The minutes of the meeting of the Board held on Saturday, February 9, were read and, on motion, approved.

The minutes of the meeting of the Gold Exports Committee held on February 11, were presented and, on motion, approved and the action therein set forth ratified.

The appointment of Mr. P. J. Faulkner as Assistant Federal Reserve Agent at Cincinnati at \$2,100 per annum, effective at once, as recommended by Federal Reserve Agent Wills, in a letter of February 9, was, on motion, approved.

A communication from Assistant Secretary Leffingwell stating that the Bank of England and the Bank of France had been designated as Government depositories, was read and noted without objection.

A letter from Federal Reserve Agent Austin notifying the Board of the election of Mr. E. P. Passmore as Governor of the Federal Reserve Bank of Philadelphia at \$20,000 a year, effective on taking office, was read and the appointment approved.

On motion, owing to the absence of Assistant Secretary Allen, the following resolutions were adopted:

RESOLVED, That Mr. H. P. Willis, Secretary of the Federal Reserve Board, be and he is hereby authorized to act as Fiscal Agent of the Board, effective at once, and that he be authorized to sign all checks and documents which the Fiscal Agent is authorized to sign, such designation and appointment to continue until revoked.

RESOLVED, That Mr. W. M. Imlay be and he is hereby appointed Acting Assistant Secretary of the Federal Reserve Board, effective at once, with authority to sign all documents and checks which the Assistant Secretary of the Board is at present authorized to sign, such designation and appointment to continue in effect until revoked.

A letter from Federal Reserve Agent Ramsey, of Dallas, dated February 9, re the recent defalcation

at that place, was read and noted.

A telegram from Federal Reserve Agent Wellborn regarding a meeting to be held for discussion of legislation as to membership in the Federal Reserve system, was read and the Governor authorized to wire certain persons named in the telegram calling their attention to the proposed meeting.

A telegram from the Union & Planters Bank & Trust Company of Memphis asking the Board's permission to carry out a proposed merger with the Mercantile National Bank, was read, with a report from the Secretary that the telegram had been submitted to the Comptroller of the Currency and returned without comment. On motion, it was voted that the Governor telegraph that the Board sees no objection to the merger.

A letter from the Federal Reserve Bank of Dallas re auditing methods in the Liberty Loan Department, was presented and noted.

A letter from Governor Morss of Boston re Liberty Loan subscriptions in New England, was read and, on motion, the matter discussed and referred to the Governor with power, it being the sense of the Board that Governor Morss is correct in thinking that New England is being requested

to take somewhat more than its share of the Government borrowings.

Governor Harding called the attention of the Board to the fact that Honorable R. L. Owen had visited him this morning to discuss a proposed Foreign Exchange bill, and that a conference between the Board and Senator Owen had been set for Thursday, February 14, at eleven A. M.

A letter from Governor Seay re large advances to member banks currently being made on paper secured by Liberty Bonds, was read and general discussion of the Government loan situation ensued. It was agreed that Governor Seay be advised that the Board would watch developments and do what is necessary to maintain approximate equality of reserves in the several districts.

A letter from Federal Reserve Agent Ramsey re the possible application of the American Trust & Savings Bank of Albuquerque, New Mexico, was read and it was informally agreed that the Board sees no reason why the application should not be made.

A report of Committee No. 1 recommending the appointment of Mr. Maryon at \$125 per month was approved.

Reports of Committee No. 3 were presented and,

on motion, approved as follows:

Dated Feb. 8, granting powers as trustee, executor, administrator and registrar to the San Miguel National Bank of Las Vegas, N. M.

" " 6, approving the application of Mr. P. R. Easterday under the Clayton Act and Kern Amendment.

At this point Mr. Williams entered the room.

The special order for the day, the discussion of the rediscount features of the War Finance Corporation bill, was taken up for discussion.

Governor Harding called attention to a resolution on the general financial situation which had been adopted by the Board on December 8, 1917. Discussion ensued.

Governor Harding presented drafts of amendments to the Federal Reserve Act designed to carry into effect the changes suggested by the Board in its annual report which were reviewed (subject to later report by Committee No. 3, if necessary) and favorably acted upon for transmission to the Chairman of the House Bank and Currency Committee; the draft relating to Section 22 being presented merely tentatively for information.

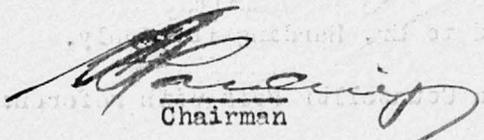
With reference to proposed changes in Section 19

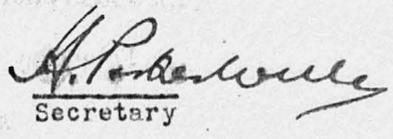
relating to the reserves of banks located in the outlying districts of a reserve city; and with reference to the proposed change in Section 22 re loans to directors, the Comptroller of the Currency asked to be recorded in opposition.

On motion, it was voted to submit to Counsel the papers in connection with certain fees received by Mr. Harrison Nesbit of Pittsburgh, with request for an opinion as to the Board's duty, if any, in bringing the matter to the attention of the Department of Justice.

At 12:55 P. M. the Board adjourned to meet for special conference on the War Finance bill at eleven A. M., on Tuesday, February 12.

APPROVED:


Chairman


Secretary