At a regular meeting of the Federal Reserve
Board held in the office of the Governor at 11 A. M.,
on Friday, March 8, 1918.

PRESENT:

Mr. Harding, presiding,

Mr. Miller,

Mr. Warburg,

Mr. Delano,

Mr. Hamlin.

Mr. Willis, Secretary.

The minutes of the meeting of the Board held.
on March 6 were read and, on motion, approved.

The minutes of the meetings of the Gold Export Committee held on March 7 and 8 were presented and, on motion, approved, and the action therein set forth ratified.

A letter from Governor Strong of New York, proposing a conference of Governors to act on interest rates, was read and discussed.

A letter from Assistant Federal Reserve Agent Post of Philadelphia, stating the names of officers authorized to witness the delivery of Federal Reserve notes, was read and noted.

A letter from Representative, H. G. Dupre, re the admission of small state banks, was read, and it was agreed to say that the Board would be glad if an amendment could be passed, giving the Board, however, the power to pass on each application on its merits.

A letter from Honorable H. T. Ashurst, recommending the appointment of Mr. Walker of Tucson, Arizona as director at El Paso, was read and noted.

A memorandum of Counsel, re the question whether acceptances made by a London bank against bills drawn under credits issued by a New York bank should be included in the New York bank's list of acceptances, was referred to the Committee on Law, to be published in the Bulletin if approved.

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

- Dated March 7, recommending the appointment of a local secretary of the Capital Issues Committee in New York at not over \$3,000 per annum.
- Dated March 8, recommending a salary of \$3,000 for Bank Examiner Gellerstedt, effective March 1.
  - " 6, recommending a salary of \$1,800 per annum for L. R. Gottlieb, effective March 16 (Board's staff).

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

Dated March 6, recommending acceptance powers to 100% for the Citizens Bank of Norfolk, Virginia.

Dated March 8, recommending the admission of state institutions upon terms fixed by the committee in each case, as follows:

Allegheny Trust Company, Pittsburgh, Pa. 720 shares in the Federal Reserve Bank of Cleveland.

Stewart State Bank, St. Charles, Ill. 84 shares in the Federal Reserve Bank of Chicago.

First State Bank of Petoskey, Petoskey, Mich. 36 shares in the Federal Reserve Bank of Chicago.

First Wellington Bank, Wellington, Ohio.
93 shares in the Federal Reserve Bank of Cleveland.

On recommendation of Committee No. 3, the application of the First National Bank of Jefferson City, Missouri, for fiduciary powers was ordered suspended.

A letter from Federal Reserve Agent Heath asking the amount of the bond for J. G. Baskin as Assistant Federal Reserve Agent at Detroit, was read and the bond for Mr. Baskin fixed at \$25,000, or higher.

A letter from Federal Reserve Agent Heath dated March 5, re the holding and endorsement of collateral against Federal Reserve notes and an opinion of Counsel regarding the matter, were read and ordered passed to file.

A letter from Counsel re the use of the word "savings" in bank advertisements and a draft of a proposed letter to the Superintendent of the Banking De-

partment of New York, were read and discussed. On motion, the matter was placed in the hands of the Governor for disposition, with the understanding that he consult with Messrs. Cotton and Elliott and send the letter if deemed wise.

Mr. Harding laid before the Board a proposed amendment to the Federal Reserve Act providing that the Board may permit Federal Reserve Banks to pay out in any district Federal Reserve notes issued in any other district. The matter was discussed and, on motion, it was agreed that the Governor discuss the matter informally with Chairman Glass.

Mr. Harding reported the results of a telephone conversation with Mr. W. E. Frew, President of the New York Clearing House, regarding the question of the rate of interest to be paid by banks on deposits. On motion, it was agreed that Governor Harding be authorized to attend the meeting of the New York Clearing House on Monday, March 11, for discussion of this question.

Governor Harding read a draft of a proposed letter to all Federal Reserve Banks re the transmission of data relating to the clearing system, and, on motion, it was ordered that the letter be sent. A letter from President Theodore E. Burton of the Merchants National Bank of New York, re the question of an amendment to the rules of the New York Clearing House Association as to rates of interest on deposits and asking the Board's views on the subject, was read and, on motion, Mr. Harding was authorized to reply, stating the Board's position.

A letter from Mr. J. F. Curtis as to the eligibility of the 90-day notes of railroad companies, was presented, and a letter from Mr. Warburg to Mr. Harding favoring the use of trade acceptances by railroads under certain conditions, was read; and it was, on motion, voted that the Board is in harmony with the principle of the letter.

The question of discount rates, the special order for the day, having been taken up for discustion, Mr. Warburg reported informally the present status of rates.

On motion, at 12:50 P. M., the Board adjourned.

APPROVED:

Chairman

Secretary