

At a regular meeting of the Federal Reserve Board held in the office of the Governor at 11:20 A. M., on Monday, March 18, 1918,

## PRESENT:

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

The minutes of the meeting of the Board held on March 15 were read and, on motion, approved.

The minutes of the meeting of the Executive Committee held on March 16 were read and, on motion, approved, and the action therein set forth ratified.

The minutes of the meetings of the Gold Export Committee held on March 16 and 18 were presented and, on motion, approved and the action therein set forth ratified.

The minutes of the meeting of the Capital Issues Committee held on March 13 were presented and, on motion, approved and the action therein set forth ratified.

Mr. Harding read a draft of the letter to Mr. W. E. Frew authorized at the Executive Committee meeting of Saturday, March 16, which was discussed

and, on motion, approved for transmission.

On motion, Mr. Hamlin was authorized to accept an invitation to speak before the Texas Bankers Association at Galveston, on May 14, at the expense of the Board.

The report of the examination of the Federal Reserve Bank of Richmond was read and, on motion, referred to the Richmond Committee.

A draft of a proposed letter to Mr. N. U. Carpenter of the Citizens Bank of Portland, Oregon, read at the meeting of March 18, was presented, and referred back to Governor Harding.

Mr. Harding presented business as follows:

A letter from Governor Lynch of San Francisco, re arrest of Mr. D. C. Townley, which was read and noted.

A letter from Federal Reserve Agent Rich, re the advance in interest rates and its probable result, read and noted.

A letter from Federal Reserve Agent Rich, re the organization of savings departments in national banks, read and noted.

At this point Mr. Williams entered the meeting.

A letter from President Wells of the First National Bank of Birmingham, re the organization of a proposed branch at that place, read and discussed.

A draft of a proposed amendment to the Federal Reserve Act, permitting the paying out by any Federal Reserve bank of notes issued by any other Federal Reserve bank, was read, and it was ordered that a letter on the subject be transmitted to Chairman Glass of the House Banking and Currency Committee for consideration of the whole matter.

A letter from Congressman Bacharach, re the prohibition of high interest rates paid by banks on deposits, was read and discussed, and it was voted to advise him that the Board is studying the situation and feels that the proposed plan would give the advantage to those who were charging irregular rates of interest on January 1, 1918.

Telegrams from Federal Reserve Agent Ramsay (Dallas) re the directorate of the El Paso branch were read and it was ordered that a special order be docketed for Wednesday, March 20 as "Election of Directors, El Paso branch."

A letter from Deputy Governor Treman of New

York, re the effect of the military draft on the staffs of Federal Reserve banks, was read and referred to Mr. Harding.

A letter from Federal Reserve Agent Ramsay<sup>e)</sup> (Dallas) enclosing a letter from A. E. Upton of Denver, Colorado re capital requirements of member banks, was read and discussed. It was agreed that Mr. Harding discuss the question of admitting state banks of small capitalization under specified conditions with Chairman Glass.

A letter from Mr. E. W. Wilson, Director of the Liberty Loan Sales Committee, San Francisco, re sales of Treasury certificates in the Twelfth District, was ordered referred to Mr. L. B. Franklin.

A letter from Federal Reserve Agent Ramsay<sup>e)</sup> of Dallas transmitting the application of the First National Bank of Amarillo, Texas for power to act as agent in securing rediscounts was read and referred to Governor Harding for report on Wednesday, March 20.

A letter addressed to Federal Reserve banks re the accepting of drafts on erroneous representations as to export and import operations by member

banks, drafted by Mr. Warburg, was read and ordered sent.

A letter from Deputy Governor Treman re absorption of acceptances by Federal Reserve Banks, was read and it was agreed to discuss the matter with Governors of banks on Friday, March 22.

A report of Committee No. 1 re the organization of Federal Reserve banks, accompanied by a proposed organization chart, was presented and discussed, and the matter was ordered presented to the Governors of banks at the conference of March 22.

A memorandum of Counsel, re legislation to increase membership in the Federal Reserve System, was presented and ordered redocketed for Wednesday, March 20th.

Mr. Harding read to the Board a memorandum representing the substance of remarks to be made by him at the dinner of the Southern Commercial Congress on the evening of March 18.

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

Dated March 18, recommending appointment of Miss A. K. Eckhardt (Division of Foreign Exchange) at \$3,000 per annum, effective on assuming duty.

Dated March 16, recommending appointment of Mr. R. B. Barrett as Cashier of the Cincinnati Branch at \$3,000 per annum, effective on assuming duty.

" " 18, recommending the appointment of a male stenographer (Division of Audit and Examination) at \$1,200.

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

Dated March 15, recommending acceptance powers for the Merchants-Laclede National Bank of St. Louis, Missouri up to 100% of capital and surplus.

" " 15, recommending the admission of the following state institutions upon conditions named by the committee in each case:

Trust Company of New Jersey, Hoboken, N. J.  
690 shares in the Federal Reserve Bank of New York.

Depositors Savings & Trust Co., Akron, Ohio.  
330 shares in the Federal Reserve Bank of Cleveland.

Highland Park State Bank of Detroit, Detroit, Mich.  
360 shares in the Federal Reserve Bank of Chicago.

Security Bank, Webster, So. Dakota.  
32 shares in the Federal Reserve Bank of Minneapolis.

First State Bank & Trust Co., Hereford, Texas.  
45 shares in the Federal Reserve Bank of Dallas.

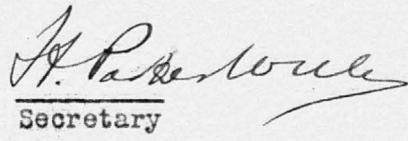
Commercial Trust Co., of N. J., Jersey City, N. J.  
1,500 shares in the Federal Reserve Bank of New York.

Rittenhouse Trust Company, Philadelphia.  
180 shares in the Federal Reserve Bank of Philadelphia.

On motion, at 1:15 P. M., the Board adjourned.

APPROVED:

  
Chairman

  
Secretary