At a regular meeting of the Federal Reserve Board held in the office of the Board on Friday, May 24, 1918, at 11:45 A.M.,

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

The minutes of the meeting of the Board held on May 22 were read and approved.

The minutes of the joint sessions of the Board and the Advisory Council, held on May 20 and 21 were reported with minor modifications and ordered passed to file.

The minutes of the meetings of the Gold Export Committee, held on May 23 and 24 were presented and on motion approved and the action therein set forth ratified.

Discount rate sheets from various Federal Reserve Banks, no changes requested, were presented and noted.

A letter from Senator R. L. Owen Transmitting a memorandum regarding the establishment of an allied banking corporation was presented and ordered circu-
A letter from Governor E. R. Hamlin regarding the question of mid-year bonuses to employees of Federal Reserve Banks was presented, also a proposed reply of Mr. Hamlin, and noted.

A letter from Governor E. R. Hamlin, with reference to methods of charging discount for additional days involved in the collection of items was presented and, on motion, referred to Committee No. 2.

A letter from Deputy Comptroller Kane, asking that the Board transmit lists of directors granted permission to serve with specified banks, was read and the lists authorized to be transmitted accordingly.

A letter from Governor Morse of Boston, regarding the replacing of silver certificates by Federal Reserve bank notes or Federal Reserve notes, was read and on motion referred to Mr. Warburg to draft a reply.

A letter from Governor Morse regarding the question of charges for collection of checks was referred to Mr. Delano.

A letter from Federal Reserve Agent Wills with reference to the effect of a guaranty of bank
deposits was referred to the Comptroller of the Currency.

Letters and memoranda from members of the Capital Issues Committee with reference to expenses incurred by them were referred to the former Capital Issues Committee (Mr. Warburg, Chairman).

A letter from Governor McCord with reference to a conference regarding rates of interest paid in Atlanta on balances was read, noted and referred back to Governor Harding.

A letter from Senator Owen, suggesting a conference in Washington regarding the proposed Oklahoma branch, was read, noted, and referred back to Governor Harding.

A report dated May 23, with reference to the exemption of certain employees of the International Banking Corporation from draft was read and, on motion, action suspended.

Reports of Committees were presented and approved as follows:

No. 1.

Dated May 21, recommending the approval or the appointment of W. H. Black as Assistant Cashier of the Federal Reserve Branch Bank of
New Orleans at a salary of $200 per month, effective May 7, or at such date as Mr. Black takes up his duties.

Dated May 24, approving appointment of Messrs. Wardrop or Pittsburgh, and W. S. Rowe or Cincinnati, as Assistant Federal Reserve Agents at the branches of the Federal Reserve Bank of Cleveland in their respective cities.

No. 2.

Dated May 24, recommending the admission of new institutions upon conditions named by the Committee in each case as follows:

Security Bank and Trust Co., Wharton, Texas.
34 shares in the Federal Reserve Bank of Dallas.

Peoples Trust & Savings Bank, Perry, Iowa.
31 shares in the Federal Reserve Bank of Chicago.

No. 3.

Dated May 23, various reports recommending action upon directorates under the Clayton Act, conditions as to which were brought to the attention of the Board through letters from the office of the Comptroller of the Currency.

Dated May 23, recommending transmission of a letter regarding proposed consolidation of the Somerville National Bank and the Somerville Trust Company, the same being in accordance with the opinion of counsel on the subject.

Dated May 23, recommending the grant of power as trustee, executor, administrator and registrar to the South Bethlehem Natl. Bank, South Bethlehem, Pennsylvania.
On motion it was voted that Committee No. 3 be authorized, whenever investigation shows that no change or action is required with reference to directors or banks which have been called to the attention of the Board by the Comptroller of the Currency, to enter such records as may be necessary without bringing the matter further to the attention of the Board.

A proposed draft of a letter addressed to Federal Reserve Banks and Federal Reserve Agents regarding issue of Federal Reserve bank notes was, on motion, approved and ordered transmitted.

Upon recommendation of the Richmond committee, Mr. Howard Bruce of Baltimore, Maryland, was elected a Class C Director of the Federal Reserve Bank of Richmond for the year ending December 31, 1918.

On motion, the question of publishing in the Bulletin resolutions passed by the Advisory Council at its recent meeting was referred to the Executive Committee with power to act.

The Comptroller of the Currency read to the Board, a memorandum relating to the policy of guaranteeing bank deposits. Discussion ensued.
A telegram from Federal Reserve Agent Ramsey of Dallas requesting permission to be absent from Dallas on personal business was read and the absence requested approved.

On motion, at 12:55 P. M., the Board adjourned.

APPROVED:

Chairman

Secretary