

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:25 A. M., on Friday, May 31, 1918,

PRESENT:

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

The minutes of the meeting of the Board held on May 29th were read and on motion approved.

The minutes of the meeting of the Gold Export Committee held on May 31st were presented and on motion approved and the action therein set forth ratified.

The minutes of the hearing of District No. 6 banking interests, held on May 18th, were presented and ordered passed to file; and the minutes of the hearing of a committee of state bank commissioners held on May 29th were presented and on motion referred to Governor Harding and the Comptroller of the Currency.

Letters from Musher & Company, asking for the transfer of gold to London at par, were read, discussed, and referred to Governor Harding for reply.

Discount rate sheets from various Federal Reserve

banks were presented and discussion of the interest rate situation ensued.

A letter from the Harriman National Bank, re an alleged directorship in that Bank, was referred to Committee No. 3.

A telegram from Mr. J. E. Zunts of New Orleans, withdrawing his resignation as chairman and director, was read and noted.

A telegram from the St. Louis bank, re the question of establishing a branch at Memphis, was read and noted.

Mr. Warburg reported the facts re the formation of a syndicate for financing the National Wool Warehouse Company, in Chicago. On motion Mr. Warburg was requested to continue his correspondence with the Chicago bankers on the subject.

A letter from Federal Reserve Agent Jay, re the matter of taking title to land for a new building site in New York, was presented and noted.

A memorandum of the statistician of the Board, dated May 29th, re signatures to telegrams making transfers in the gold settlement fund, was read and on motion approved.

Governor Harding read a letter addressed to Senator R. L. Owen re the question of establishing an inter-allied exchange bank. It was agreed that the letter expresses substantially the views of the Board.

Governor Harding presented the question of organizing a research division of the Board's work which was discussed and on motion referred to Committee No. 4.

Reports of Committees were presented and approved as follows:

No. 1.

Dated May 31, recommending appointment of C. R. Tidwell as Examiner and Assistant in the Auditing Department of the Federal Reserve Bank of Atlanta at \$2,400 per annum, effective on assuming duty.

Dated May 31, recommending an increase in the salary of National Bank Examiner W. E. Wilcox from \$6,000 to \$7,000 per annum, effective June 1, 1918.

Dated May 31, recommending increases in salaries of employees at Dallas as set forth in the letter of May 24th sent by Federal Reserve Agent Ramsey with annexed documents.

Dated May 31, recommending approval of dividends as follows:

At the Federal Reserve Bank of Dallas,  
6% July 1, 1917, to June 30, 1918.

At the Federal Reserve Bank of Chicago,  
6% January 1, 1918, to July 1, 1918.

No. 2.

Dated May 31, recommending admission of applicant state institutions on terms named by the Committee in each case, as follows:

Fulton Trust Company, New York, N. Y., 450 shares in the Federal Reserve Bank of New York.

Citizens State Bank, Gooding, Idaho, 21 shares in the Federal Reserve Bank of San Francisco.

No. 3.

Dated May 22, recommending the grant of fiduciary powers as follows:

Trustee, Executor, Administrator and Registrar:

Blackstone National Bank, Uxbridge, Mass.  
Stock Growers National Bank, Cheyenne, Wyo.  
First National Exchange Bank, Port Huron, Mich.  
Citizens National Bank, El Dorado, Ark.

Trustee, Executor and Administrator:

First National Bank, Paducah, Ky.  
First National Bank, Harrisonburg, Va.  
Atglen National Bank, Atglen, Pa.

Registrar only:

Northern National Bank, Toledo, Ohio.

Dated May 29, recommending changes in stock at Federal Reserve Banks as follows:

Applications for original stock.

District No. 12:

First National Bank, St. John, Wash.,  
31 shares.

A report of Committee No. 3 re the status of employees of the International Banking Corporation, was presented. A motion to the effect that employees of the Corporation now actually in good faith in their service are engaged in an industrial occupation necessary to the war, was adopted by a vote of three to two, as follows:

Affirmative

Mr. Harding  
Mr. Hamlin  
Mr. Warburg

Negative

Mr. Delano  
Mr. Miller

Upon reconsideration the action thus taken was suspended until the next meeting of the Board.

An opinion of Counsel with preliminary draft of proposed resolution to be adopted by all Federal Reserve banks in connection with the issuance of Federal Reserve bank notes under the Pittman Act, was approved and the Secretary ordered to transmit the same to all Federal Reserve banks.

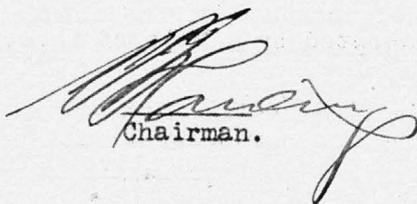
A memorandum of Counsel re the discounting of cold storage paper was presented, discussed, and referred back to Mr. Hamlin as Chairman of Committee No. 3.

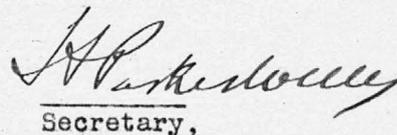
Mr. Warburg presented a letter from the First National Bank of Boston re the paper of the First National

Corporation, and it was agreed that Mr. Warburg write, stating the views of the Board on the acceptance situation.

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

APPROVED:

  
Chairman.

  
Secretary,