

At a regular meeting of the Federal Reserve Board, held in the office of the Board on July 18, 1918, at 11:15 A.M.,

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

The minutes of the meeting of the Board held on July 16th were read and on motion approved.

The minutes of the meetings of the Gold Export Committee held on July 17th and 18th were presented and approved, and the action therein set forth ratified.

Other minutes were presented and disposed of as follows:

Conference with Governors on July 2d reported by Mr. Delano, and ordered filed.

Morning business was presented and disposed of as follows:

Discount rate sheets from sundry Federal Reserve banks (no changes) were presented and ordered passed to file.

A letter from the Secretary of State transmitting an official communication from our Consul General in Norway was presented and ordered circulated.

Minutes of the Board of Directors at Dallas held on July 2d were presented and referred to the Dallas Committee.

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A letter from Federal Reserve Agent Jay re the method of passing on loans at the New York bank was presented by Mr. Warburg and ordered filed.

A letter from the American & Foreign Banking Corporation re proposed branches was referred to Committee No.2.

A memorandum of Counsel re the use of gold in California was ordered sent to the Counsel of the Federal Reserve Bank of San Francisco through Federal Reserve Agent Perrin.

A recommendation of the Comptroller of the Currency that a reduction of the capital of the First National Bank of Leavenworth, Kansas, be authorized was approved.

A letter from the Assistant Secretary of the Federal Reserve Bank of New York as to the renewal of loans made to their clerks by state banks which become members, was read and referred to Counsel.

A letter from the Dysart Savings Bank (Iowa) re loans for unessential industries was read and referred to Mr. Hamlin as Chairman of the Capital Issues Committee for report.

On motion all matters affecting personnel or staff of Federal Reserve banks were ordered referred to the Executive Committee henceforward until further action.

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On motion it was voted that on those Committees on which Mr. Delano is Chairman, the next ranking member shall on Mr. Delano's departure succeed him as Chairman.

The Comptroller of the Currency gave notice under the general authority given him by the Board of the following appointments in the Division of Issue and Redemption:

Mrs. Fanny H. Young, \$75 per month,  
effective July 13th.  
Miss Elizabeth R. Christie, \$75 per month,  
effective July 13th.

An opinion of Counsel in the form of a letter addressed to the Federal Reserve Bank of Kansas City re trade acceptances drawn against a canning company was read and referred to Committee No. 3 with authority to the Governor to transmit, if approved by the Committee.

An opinion of Counsel re the status of bills payable with collection charges as distinct from exchange charges was read and referred to Committee No. 3 for report.

An opinion of Counsel dated July 16th in the form of a letter addressed to Mr. J. V. Grainger as to endorsed trade acceptances was approved in substance, but ordered transmitted by the Governor being meantime transferred to Mr. Hamlin for consideration.

An opinion of Counsel regarding the question of simplifying interbank rediscount operations was read and referred to Committee No. 3.

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A letter from Governor McDougal re the relative status of member and non-member banks in dealing in Treasury certificates was read and referred to Governor Harding for reply.

Governor Harding presented an informal report re the conferences with sundry cotton interests occurring on July 17th. General discussion ensued.

Reports of Committees were presented and disposed of as follows:

No. 1

Dated July 18th, recommending the following changes in the Board's staff:

Salary of George B. Smithson fixed at \$70 per month instead of \$85 to date from July 1st, due adjustment to be made.

Dated July 18th, recommending appointments in the Division of Foreign Exchange; approved as follows:

A. V. Rockford, \$480 per annum effective July 22d  
A. Bryner, 480 per annum effective July 18th  
Miss E. Cooper, 1,200 per annum effective July 18th.

Dated July 18th, recommending the appointment of a white messenger and sealer, Division of Issue and Redemption at \$720 per annum, effective on assuming duty. Approved.

Dated July 16th, recommending changes in the staffs and salaries at Federal Reserve Bank of St. Louis and at Louisville as set forth in the report. Approved.

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Dated July 17th, re the bonus system at Dallas; referred to the Executive Committee.

Dated July 18th, outlining the effect of recent legislation by Congress on the salaries of the Board's staff; referred to Executive Committee.

No. 3

Dated July 18th, recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Dated July 18th, recommending action upon fiduciary powers as stated in the auxiliary minute book as of this date.

Dated July 18th, recommending that permission to serve under the Clayton Act be granted in accord with their applications as reported by the Committee to:  
Harold A. Hatch  
B. M. Frees  
Spencer Borden

Other committee reports were presented and acted upon as follows:

Report of Special Committee, Mr. Delano and Mr. Hamlin, re by-laws for Birmingham and Jacksonville, approving the proposed by-laws; approved, - the Secretary to send notice accordingly.

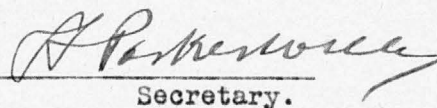
Report of old Capital Issues Committee covering its entire work; received, noted and authority given to publish in the Bulletin if deemed best.

The Board ordered a minute entered expressive of its

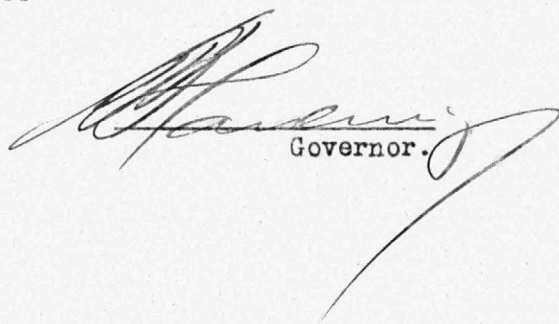
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warm appreciation of the service of W. T. Chapman as Secretary of the Committee.

On motion at 12:20 P.M., the Board adjourned.

  
Secretary.

Approved:

  
Governor.