

At a regular meeting of the Federal Reserve Board held in the office of the Board on August 13, 1918, at 11:20 A.M.,

PRESENT: Mr. Harding, presiding  
Mr. Miller  
Mr. Hamlin  
Mr. Williams  
Mr. Broderick, Acting Secretary.

The minutes of the meeting of the Board held on August 9th were read and on motion approved, as amended.

The minutes of the Gold Export Committee meetings held on August 10th, 12th and 13th were presented for approval and the action therein set forth ratified.

Voted that effective September 1, 1918, Mr. J. A. Broderick, now Acting Secretary and Chief Examiner, be and he hereby is appointed Secretary of the Federal Reserve Board, and that his duties shall be in charge of the administrative details of the work of the Board and the direction and general supervision of the work of examining Federal Reserve Banks and applications made by State Banks for admission to the System. Voted that Mr. Broderick be authorized, with the approval of the Governor, to visit the various Federal Reserve Banks from time to time and to report as to the methods, management and policies of such institutions.

Voted that Assistant Secretary Adelson be authorized to assume full charge of all examination work in the absence or disability of the Chief Examiner.

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Voted that effective August 13th, W. T. Chapman be appointed Assistant to the Secretary of the Board, to act as such pending the determination of his future status with the Board.

At this point Mr. Williams withdrew from the meeting.

Morning business was presented and disposed of as follows:

Letter, dated August 10th, from Gibson County Bank, in re non-member bank borrowing from Federal Reserve Bank upon security of Treasury certificates of indebtedness; referred to Governor Harding for reply.

Letter, dated August 11th, from Governor of Federal Reserve Bank of New York, in re correction of time schedule of Federal Reserve Banks and suggesting a study of float situation. Governor stated that on previous day a letter had been addressed to all Federal Reserve Banks, enclosing memorandum of analysis made by the Statistical Division.

Letter, dated August 12th, from Senator E. S. Johnston, with further reference to communication from C. L. Millett, President of the Stockgrowers' Bank, Ft. Pierre, S.D., in re payment by Federal Reserve Bank to member banks of interest on their reserve balances; Governor to reply.

Letter, dated August 9th, from Governor of Federal Reserve Bank of Cleveland, in re discount rates. Noted.

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Telegram dated August 13th, from Federal Reserve Agent, San Francisco, in re revision of discount rates. Governor directed to reply that Board was inclined to view straight raise of  $1/2$  of  $1\%$  as somewhat drastic and to suggest making rate for all maturities  $4\frac{1}{4}\%$  on notes secured by Government obligations;  $4\frac{1}{4}\%$  on member banks 15 day collateral notes;  $4\frac{3}{4}\%$  on trade acceptances, all maturities;  $5\%$  on maturities 16 - 90 days and leaving agricultural six months paper unchanged at  $5\frac{1}{2}\%$ .

Telegram from Federal Reserve Agent, St. Louis, in re establishment of a branch at Little Rock, Ark.; referred to the Governor for reply.

Telegram dated August 12th re discount by Federal Reserve Banks of Philadelphia and Cleveland of \$5,000,000 each of Bankers' Acceptances and Receivables for the Federal Reserve Bank of Richmond, 30 - 90 day maturities at rate of  $4\frac{3}{4}\%$ . Approved.

Letter from the Secretary of the Guaranty Trust Company of New York, dated August 9th, in re custodian of goods stored in warehouse of borrower against which drafts to be drawn under Section 13 of the Federal Reserve Act; also memorandum of Counsel of the Federal Reserve Board.

The Board approved the principle that to make eligible, warehouse receipts referred to in letter, the representative of the acceptor must be given

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actual and legal control of the warehouse in which the goods are stored and not have mere access to the goods.

Governor to reply.

Letter, dated August 9th, from Federal Reserve Agent, Boston, in re financial statements by borrowers. Noted.

Letter of acceptance dated August 9th, by Jesse H. Metcalf, of appointment as Class "C" Director of Federal Reserve Bank of Boston. Noted.

Memorandum of expenditures by sub-Committee on Capital Issues of San Francisco, amounting to \$1,029.75; voted usual course, Acting Secretary to report back at next meeting.

Memorandum dated August 7th, by W.T.Chapman, in re plan of publicity; voted that all statements for the press shall be approved by the Governor before released for publication.

REPORTS OF COMMITTEE NO. 1:

Dated August 13th, application of New Netherland Bank of New York, N.Y., for permission to accept up to 100% of capital and surplus. Approved.

The following additions to the Board's staff were approved:

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Date Effective</u>
Miss Leila Huey,	Stenographer, Secretary's Office,	\$1,320	Aug.12,1918

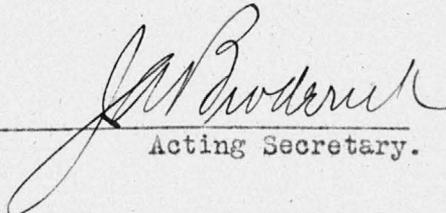
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Division of Foreign Exchange:

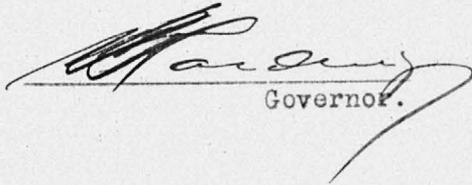
<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Date</u> <u>Effective</u>
Miss Katherine Thompson,	Clerk,	\$720	Aug.12,1918
Miss Rose M. Stafford,	Clerk,	780	Aug.19,1918
Miss Mabel Ellis,	Clerk,	840	Aug.13,1918

Dated August 12th, recommending admission of State institutions as set forth in the auxiliary minute book as of this date, subject to the conditions stated in the individual reports attached to each application.

At 1:10 P.M., the meeting adjourned.

  
Acting Secretary.

Approved:

  
Governor.