At a regular meeting of the Federal Reserve Board, held in the office of the Board on September 3, 1918, at 11:15 A.M.,

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

The minutes of the meeting of the Board held on August 27th were read and, on motion, approved as amended.

The minutes of the meeting of the Executive Committee held on August 28th were read and approved, and the action therein set forth ratified.

The minutes of the meetings of the Gold Export Committee held on August 27th, 28th, 29th, 30th and 31st, and September 3d, were presented and approved, and the action therein set forth ratified.

Morning business was presented and disposed of as follows:

Telegram, dated August 29th, from the Federal Reserve Bank of Dallas, requesting the Board to arrange for the rediscount of five million dollars of paper. The Governor reported that in accordance with the request, the Federal Reserve Bank of Boston had agreed to take two million and the Federal Reserve Bank of Cleveland three million, 15 to 90 day maturities, at the rate of 4-3/4 per cent. Approved.

The Governor announced that on August 29th he had
purchased two million dollars 2 per cent special Treasury certificates of indebtedness for the account of the Federal Reserve Bank of New York, to be deposited as security for Federal Reserve bank notes. The action of the Governor was ratified.

Mr. Hamlin stated that while in Boston he had conferred with the officers and directors of the New England Trust Company, and had been advised of their intention to apply for membership. He stated that under the charter of the company and the laws of the state, and its own by-laws, the Trust Company can purchase its own stock as agent for account of applicants. The Trust Company wished to be assured that this provision would not be interfered with in the event it became a member of the system. It was voted that on the assumption that Counsel of the Federal Reserve Board advises that it is lawful, Mr. Hamlin inform the Trust Company that the Board would raise no objection to its by-laws, with the understanding that in no event would the Trust Company use its own funds to purchase stock in the company for its own account.

The application of the Merchants and Savings Bank of Kenosha, Wisconsin, for membership was considered and it was voted that the bank be admitted upon condition that it agree to reduce its dividends to 6% and to apply all
surplus earnings to the reduction of the book value of its investment securities. Mr. Williams voted in the negative.

Statements of discount rates received from the Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, St. Louis, and Minneapolis. No changes recommended.

Letter dated August 28th, from the Federal Reserve Bank of Atlanta, advising that the new rate of 4-1/4 per cent on paper maturing within 15 days (exclusive of paper secured by Government obligations) would be effective on September 3d.

Letter dated August 26th, from the Comptroller of the Currency, advising the appointment of Mr. J. Ernest Thompson as National Bank Examiner, and recommending for approval salary of $2,400 per annum. Approved.

Letter dated August 31st from the Federal Reserve Agent at Dallas, requesting the approval of the Board of the appointment of Mr. J. H. Blocker as Examiner, at a salary of $250 per month, Mr. Blocker having previously been designated as Examiner for the months of July and August. Approved.
REPORTS OF COMMITTEE NO. 1:

Dated September 3d, 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.

Dated August 31st and September 3d (two reports), recommending changes in stock of Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

The following appointments were approved:

Division of Foreign Exchange:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Salary</th>
<th>Date Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miss Ruth Samuel</td>
<td>Clerk</td>
<td>$2.50 per day</td>
<td>Sept. 3, 1916</td>
</tr>
<tr>
<td>Miss Mildred K. Steib</td>
<td>Stenographer,</td>
<td>$360 per annum</td>
<td>Aug. 31, 1916</td>
</tr>
</tbody>
</table>

Division of Audit and Examination:

Upon recommendation of the Secretary, Mr. Eugene Nowotny was appointed Assistant to Examiner Will at St. Louis, at a salary of $10 per month, subject to the approval of Examiners and the Bank at St. Louis.

Letter dated August 28th, from Governor, Federal Reserve Bank of Chicago, recommending installation of direct telegraph wire between Chicago and New York; also copy of reply of Governor Harding dated August 30th. Referred to Mr. Miller with view to determining if it would be possible to handle all business satisfactorily with the present
facilities, if a priority schedule was adopted and less urgent messages eliminated.

Memorandum dated September 3d from Mr. Jacobson, recommending the leasing of Rooms 901 and 902 in the Southern Building, Washington, D. C. Approved. Voted that the Statistician be given supervisory authority over the Library.

At 12:45 P. M., the meeting adjourned.

Approved:

[Signature]

Secretary.