

At the regular meeting of the Federal Reserve Board held in the office of the Board on September 12, 1918, at 11 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 September 10th were read and, on motion, approved as amended.

The minutes of the meetings of the Gold Export Committee held on September 10th, 11th and 12th were presented and approved, and the action therein set forth ratified.

(Mr. Williams was present at the reading of the minutes).

Morning business was presented and disposed of as follows:

Letter, dated August 28th, from Deputy Governor Case, of the Federal Reserve Bank of New York, recommending the establishment of a rediscount rate for bankers' acceptances.

Voted that Governor Harding reply that Board would be pleased to have the New York Bank submit its recommendation covering such rate.

Letter, dated September 6th, from the Watson Manufacturing Company of Jamestown, New York, with respect to relief measures on behalf of meritorious non-essential industries.

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The Governor reported the results of his conference with Mr. Dillon of the War Industries Board, and stated that definite action in the premises would be deferred by that Board until a more complete investigation of the matter could be made.

Letter, dated September 8th, from the Federal Reserve Agent at Dallas, outlining plan, considered at a meeting of bankers held in Dallas on Friday, the 6th, under which bankers in the favored sections of the district would make deposits with banks in the drouth areas, and stating that he had been asked to act as head of committee to pass upon the securities to be offered as collateral for such deposits.

Voted that the Governor advise Federal Reserve Agent, that the Board approves of proposed plan and believes it best that plan be operated by bankers under the auspices of their banking associations, rather than under his supervision, in view of his many other urgent duties, and further, that the Board desires him to cooperate in this as in other plans to relieve conditions in drouth stricken counties.

Discount rate reports from the Federal Reserve Banks at New York, Boston, Richmond, Cleveland, Atlanta and Kansas City. No change recommended. The Governor called attention to the rate of the Kansas City Bank of 5-1/4% on all paper 16 to 90 days as against its rate of 4-1/4% on Government secured paper of similar maturity.

Voted that the Governor ascertain from the Kansas City Bank the period for which it

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intends to have such rate remain effective,  
and endeavor to secure reduction thereof to 5%.

Letter, dated September 11th, addressed by the Governor to Mr. George Foster Peabody, with reference to Mr. Peabody assuming the duties of the office of Assistant Federal Reserve Agent at New York in the absence of Mr. Jay.

Noted.

The Governor presented his letter of September 11th, addressed to the Provost Marshal General, with respect to the status of officers and employees of Federal Reserve Banks under the military draft regulations.

Approved, and ordered that the letter and such replies as may be received from the Provost Marshal General be published in the October number of the Bulletin.

Letter, dated September 10th, from Governor of Federal Reserve Bank at Boston, in re drafting of employees of Old Colony Trust Company.

Noted.

Letter, dated September 5th, from Governor of the Federal Reserve Bank at Chicago, in re use by Capital Issues Committee of private telegraph line.

Referred to Mr. Hamlin for conference with Mr. Leffingwell.

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Mr. Miller submitted his report, dated September 12th, recommending that the Secretary be authorized to arrange the details and negotiate for a contract for additional telegraph service, with a direct line from Chicago to New York, via Washington, with a drop line at Washington, for the period September 15 to December 1, 1918.

Approved, provided that the Treasury Department agrees to pay one-half the cost of such additional telegraph service, and that if such agreement is not secured, matter be presented for reconsideration at Board meeting on September 17th.

(At this point Mr. Williams joined the meeting).

Letter, dated September 4th, from the Federal Reserve Agent at San Francisco, in re supply of fifty and one hundred dollar Federal Reserve notes, and memorandum dated September 12th, by Mr. Burklin.

Referred to Governor for reply.

REPORTS OF COMMITTEE NO. 1:

Changes in Staff:

Letter, dated September 10th, from the Comptroller of the Currency, recommending the appointment of three additional clerk counters at \$900 per annum each, in the Federal Reserve Division of Issue and Redemption.

Approved.

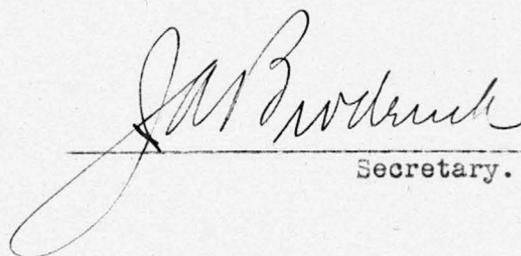
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Dated September 13th, recommending appointment of Miss Edith Gibson as File Clerk in the Division of Foreign Exchange at New York, at a salary of \$900 per annum, effective September 12, 1918.  
Approved.

Mr. Miller requested approval of an increase in the salary of Mr. J. L. Reed, his Secretary, from \$2,000 to \$2,500 per annum, effective October 1st, the extra compensation of \$120 per annum now being received by Mr. Reed under the Legislative Bill to cease as of that date. Approved.

Dated September 12th, recommending the 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 12:22 P.M., the meeting adjourned.

  
Secretary.

Approved:

  
Governor