

At a meeting of the Executive Committee of the Federal Reserve Board, held in the Board Room on September 17, 1918, at 11 A.M.,

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

Morning business was presented and disposed of as follows:

Notice, dated September 10, 1918, of proposed amendment of Section 2 of Article 7 of the By-laws of the Board, with respect to quorum, and adverse opinion by Counsel, dated September 16th.

Voted that Counsel secure review of opinion by the Attorney General.

Memorandum, dated September 13th, addressed by the Director of the War Loan Organization to Assistant Secretary Leffingwell, and approved by him, under which the Treasury Department assumes one-half the cost of new direct private telegraph wire to Chicago, and memorandum by Secretary recommending that record be kept of all messages transmitted for account of Capital Issues Committee and War Finance Corporation, and bill rendered them monthly by the Federal Reserve Bank of Chicago, at government tariff rates.

Approved.

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Memorandum by Alexander Wall, proposing the establishment of a national credit bureau for the analysis of credits, together with memoranda thereon by Messrs. Willis, Broderick and Jacobson.

Ordered circulated and docketed for the next meeting of the Board.

Letter from Mr. Jay, dated September 13th, and telegram from Governor Wold, dated September 16th, with reference to proposed acceptance credits for United States Food Administration Grain Corporation, with opinion by Counsel, dated September 16th.

Referred to Governor for reply.

Letter, dated September 14th, from Federal Reserve Agent at New York, with reference to right of member banks to accept drafts drawn by International Products Company of New York under credit to be opened by William Schall & Company, private bankers of New York City, for the purpose of arranging for the importation of quebracho extract and meat products from South America, with opinion by Counsel, dated September 16th.

Ordered circulated and referred to Chairman of Law Committee for conference with Counsel and report as to opinion.

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Letter, dated September 12th, from the Cashier of the Federal Reserve Bank at Cleveland, in re mail transfer rate.

Noted.

Letter, dated September 5th, from Percival S. Hill, President of The American Tobacco Company, in re \$25,000,000 acceptance credit in the form of ninety day acceptances.

Referred to Governor for reply to the effect that Board feels that it should not permit the renewal of these acceptances.

The Governor stated that request had been made for the publication of the Board's letter of September 19, 1917, addressed to Mr. J. E. Rovensky, with reference to the custody of documents supporting bills accepted.

Referred to Chairman of Law Committee for formalization and submission to Bulletin Committee for publication in next issue of Bulletin.

Letter, dated September 14th, from the Comptroller of the Currency in re short term notes of railroads issued to provide funds for carrying along the operation

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of railroad properties pending the execution of contracts with the Federal Government and the carrying out of their general financial plans.

Referred to Governor for reply.

Letter, dated September 14th, from the Railway Business Association, requesting expression of the Board's opinion as to what methods or instrumentalities are best suited for the liquidation of railroad accounts, and what modifications, if any, would be necessary in applying such methods or instrumentalities to railroad use.

Governor to reply.

Letter, dated September 12th, from Federal Reserve Agent at Dallas, submitting copies of contracts for the designing, superintendence and interior arrangements of the proposed new bank building at Dallas.

Noted.

Memorandum by Counsel, dated September 12th, submitting Senate Bill No. 4747 relating to the limitations of Section 5200 of the Revised Statutes, and recommending that Board approve.

Referred to the Comptroller of the Currency for report.

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Letter, dated September 13th, from the Governor of the Federal Reserve Bank at Chicago, requesting that the Board address a letter of appreciation to the Committee on State Bank Membership of the American Bankers Association.

Referred to the Governor for reply.

Letter from the International Banking Corporation, dated September 16th, accepting the requirements and limitations set forth in the Board's letter of August 20th, specifying the terms under which the stock of said corporation would be eligible for purchase by national banks.

Noted.

Application of the National City Bank of New York to invest not exceeding 10% of its paid-in capital stock and surplus in the stock of the International Banking Corporation.

Approved.

Application of the First National Bank of Nogales, Arizona, for permission to accept up to 100% of its capital and surplus.

Approved.

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Letter, dated September 13th, from the First and Security National Bank of Minneapolis, Minnesota, suggesting amendment of the Federal Reserve Act permitting acceptance up to 100% based on domestic transactions.

Secretary to reply.

The following purchases of 2% certificates of indebtedness of the United States for deposit with the Comptroller of the Currency as collateral for Federal Reserve Bank notes, were reported:

Federal Reserve Bank of:	Date	Amount
New York,	Sept.13/18	\$1,000,000
Chicago,	"	1,000,000
St.Louis,	"	1,000,000
Philadelphia,	Sept.16/18	1,000,000
Cleveland,	"	1,000,000

Approved.

Telegram dated September 13th, from the Federal Reserve Agent at Kansas City, stating that rate on commercial paper 16-90 days would be reduced from 5-1/4% to 5%, effective September 20th.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated September 16th, 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.

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Dated September 16th, recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

Dated September 13th, recommending approval of application of E.L.Hampton, for permission to serve at the same time as Director of the First National Bank of Tracy City, Tenn., and as Director of the Fourth and First National Bank, Nashville, Tenn. Approved.

Report on discount rates by Federal Reserve Bank of Minneapolis. No changes recommended. Noted.

CHANGES IN STAFF:

Letter, dated September 9th, from Federal Reserve Agent at Dallas, recommending increase in salary of E. L. Maxey from \$125 to \$150 per month, effective September 1st.

Approved.

Letter, dated September 10th, from the Comptroller, requesting approval of salary of \$2,400 per annum for Mr. Verne C. Bonesteel, National Bank Examiner in Federal Reserve District No. 9.

Approved.

Dated September 13th and 16th, recommending the following appointments in the Division of Foreign Exchange at New York:

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Date Effective</u>
John Larison,	Office Boy,	\$480	Sept.13,1918
Doris Atkinson, (Replacing Miss Van Vliet)	Asst., Filing Dept.	750	Sept.16,1918
Frances Kossoff,	Office Girl,	540	Sept.16,1918
Mrs. Marguerite Dragon, Typist,		720	Sept.18,1918

Approved.

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banking; and the said application having been considered; and it appearing that the said application is properly made under the laws of the United States of America and should be granted, Now, Therefore, it is

ORDERED, that the said application be and it hereby is approved, and that the said The National City Bank of New York be and it hereby is authorized to invest an amount not exceeding in the aggregate ten per centum of its paid in capital stock and surplus in the stock of the said International Banking Corporation.

THE FEDERAL RESERVE BOARD
By (Signed) W.P.G.Harding,
Governor.

(S E A L)

Attest:

(Signed) J. A. Broderick,
Secretary.

(Mr. Williams, who was not present, subsequently approved the order.)

At 11:37 A.M., the meeting adjourned.

Approved:


Governor.


Secretary.