

At a meeting of the Federal Reserve Board held in the Board Room on October 3, 1918, at 11:30 A.M.,

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

Minutes of the meeting of the Board held on October 1st were read and approved.

Minutes of the meetings of the Executive Committee held on October 1st and 2d, were read and approved, and the action therein set forth ratified.

Minutes of the meetings of the Gold Export Committee, held on October 2d and 3d, were presented and approved and the action therein set forth ratified.

Morning business was presented and disposed of as follows:

Telegram dated October 1st from Deputy Governor Calkins of the Federal Reserve Bank of San Francisco in re failure of the Santa Rosa National Bank of Santa Rosa, California.

Referred to Governor and Chairman of the Law Committee for response.

The Governor re-presented the question of reclassification of electoral groups for Class "A" and Class "B" directors, pursuant to the provisions of the "Phelan Bill", which became law on September 26, 1918.

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Voted that the following reclassification be approved.

Federal Reserve District	Group I	Group II	Group III
1. Boston,	Over \$999,000	Max. \$999,000 Min. 300,000	Under \$300,000
2. New York,	" 1,999,000	Max. 1,999,000 Min. 201,000	" 201,000
3. Philadelphia,	" 999,000	Max. 999,000 Min. 250,000	" 250,000
4. Cleveland,	" 999,000	Max. 999,000 Min. 200,000	" 200,000
5. Richmond,	" 599,000	Max. 599,000 Min. 150,000	" 150,000
6. Atlanta,	" 599,000	Max. 599,000 Min. 100,000	" 100,000
7. Chicago,	" 999,000	Max. 999,000 Min. 200,000	" 200,000
8. St. Louis,	" 599,000	Max. 599,000 Min. 100,000	" 100,000
9. Minneapolis,	" 399,000	Max. 399,000 Min. 60,000	" 60,000
10. Kansas City,	" 499,000	Max. 499,000 Min. 75,000	" 75,000
11. Dallas,	" 399,000	Max. 399,000 Min. 100,000	" 100,000
12. San Francisco,	" 599,000	Max. 599,000 Min. 125,000	" 125,000

(At this point Mr. Williams withdrew from the meeting).

Letter dated October 1st from Mr. E. R. Kenzel,

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Manager of Investments of the Federal Reserve Bank of New York, in re financing operations of the United States Food Administration Grain Corporation.

Ordered circulated.

Letter dated October 1st from Mr. E. R. Kenzel, Manager of Investments of the Federal Reserve Bank of New York, submitting revised statement as to credit desired to be opened by Wm. Schall & Company for the International Products Company, to facilitate the importation of quebracho and meat products from South America.

Referred to Counsel for opinion.

Letter dated September 23d from Federal Reserve Agent, San Francisco, in re Federal Reserve Bank absorbing expenses of District Capital Issues Committee, with negative report by Mr. Hamlin.

Referred to Secretary for reply.

Letter dated October 2d from James Heckscher, Manager of Foreign Department of the Irving National Bank of New York, asking that permission be granted that bank to accept 90 day drafts drawn upon it by its correspondents in Havana, Cuba, for the creation of dollar exchange.

Approved.

Letter dated October 1st from Mr. J. E. Rovensky,

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Vice President, National Bank of Commerce, New York, requesting that permission be granted that bank to accept time drafts drawn upon it by banks or bankers in the Argentine Republic for the purpose of creating dollar exchange.

Approved.

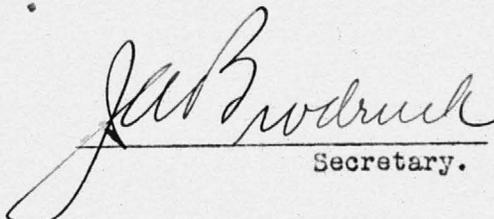
Discount rate reports from Federal Reserve Banks of Philadelphia, Cleveland, St. Louis and Kansas City. No changes recommended.

Noted.

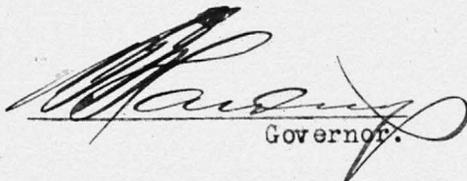
Telegram dated October 3d from the Federal Reserve Agent at Boston, requesting permission to establish special rate of 4% on paper 16 to 90 day maturity, secured by Fourth Liberty Loan bonds, where paper rediscounted has been taken by discounting member banks at rate not in excess of coupon rate of said bonds.

Approved.

At 1 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.