

At a meeting of the Executive Committee of the Federal Reserve Board, held in the Board Room on October 8, 1918, at 11:25 A.M.,

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

Morning business was presented and disposed of as follows:

Telegram dated October 3d, from the Federal Reserve Agent at St. Louis, 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, and reply by Governor, dated October 4th, approving same.

Approved.

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

Letter dated October 2d, from the Federal Reserve Agent at Kansas City, submitting vote of the Board of Directors of the Federal Reserve Bank of Kansas City that the per diem fee of members of the Executive Committee of that Bank be increased from ten to twenty dollars.

Disapproved.

Y Letter dated September 23d, from Mr. Pierre Jay, submitting report in re modified plan of election of members

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of the Federal Advisory Council.

Noted.

The Comptroller of the Currency submitted designs for Federal Reserve notes of the denominations of \$500, \$1,000, \$5,000 and \$10,000.

Voted to approve the designs submitted for the \$500 and \$1,000 denominations; revised designs to be submitted for notes of the \$5,000 and \$10,000 denominations, in view of the fact that signatures of United States officers appear above instead of below the obligation to pay.

Letter dated October 4th, from the General Secretary of the American Bankers' Association, submitting various resolutions adopted by the Association.

Referred to the Governor with power.

A general discussion was had of banking standards prevailing in different state banking institutions, and it was suggested by Dr. Miller that when next the New York State Banking Department examined the Guaranty Trust Company of New York, the Federal Reserve Bank of New York or the Federal Reserve Board have their examiners participate in such examinations. The Comptroller of the Currency stated he would be very happy to lend to the Federal Reserve Bank the assistance of his examining force in the New York district upon such occasion.

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The Governor reported that at the request of the Federal Reserve Bank of Atlanta, under date of October 5th, he had arranged for the rediscount by that Bank of five million dollars of receivables at a rate of 4-3/4%, as follows:

Federal Reserve Bank of Cleveland ...	\$2,000,000
Federal Reserve Bank of Philadelphia.	2,000,000
Federal Reserve Bank of Kansas City..	1,000,000

Approved.

Letter dated October 1st, from Deputy Chairman Peabody, Federal Reserve Bank of New York, and correspondence from Mr. Glass, in re exchange charge of 1/10 of 1% on checks drawn on the National Exchange Bank and First National Bank of Roanoke, Virginia.

Referred to Governor, to advise Mr. Glass upon latter's return.

The Governor stated that the President had proclaimed Saturday, October 12th, as Liberty Day, and had ordered all Government offices to be closed that day.

After discussion, it was voted that the Board's offices, including its telegraph office, be closed October 12th, and that the figures for the weekly statement be taken as of the close of business on Thursday, October 10th, rather than Friday, October 11th.

Memorandum of the purchase, under power of attorney filed by the respective Reserve Banks, of special

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2% certificates of indebtedness of the United States, for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes, as follows:

<u>Federal Reserve Bank of:</u>	<u>Date</u>	<u>Amount</u>
St. Louis	Oct. 5, 1918	\$1,000,000
New York	" 5, "	4,000,000
Cleveland	" 7, "	1,000,000
Chicago	" 7, "	1,000,000
Chicago	" 7, "	<u>1,000,000</u>
		\$8,000,000

Approved.

Several applications for permission to exercise fiduciary powers were presented together with Counsel's memorandum, dated October 5th, calling attention to the fact that applications which have not heretofore been acted upon must be acted upon under authority of Section 11(k); suggesting that pending applications be held until forms are ready, and that they then be referred to the Federal Reserve Agents for information which must be obtained from them and counsel of the banks; that such application then be returned and handled under the new form.

Voted that definite action upon all applications be deferred until the first meeting in December, in order to give all national banks that desire to do so, an opportunity of filing applications for trustee powers, under the Federal Reserve Act as amended, and to prevent any possible injustice that might arise from the granting of such powers to institutions in particular localities in advance of granting such powers to their competitors.

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Letter dated October 3d, from R. R. Ellis, of the Hessig-Ellis Drug Company, Memphis, Tennessee, suggesting ruling by the Board that Liberty Bonds be classified as "quick assets" in analyses of financial statements.

Ordered tabled for meeting on October 11th.

Letter dated October 4th, from First National Bank in Brooklyn, New York, submitting petition signed by several banks in that city, requesting that they be permitted to maintain reserves under Section 19 of the Federal Reserve Act, as amended, as specified under paragraph B (for reserve cities) rather than as specified under paragraph C (for central reserve cities) of said section.

The Governor stated that under date of October 5th he had addressed a letter to all Federal Reserve Agents, asking for an expression of their views upon this subject.

REPORT OF COMMITTEE NO. 1:

Dated October 7th, 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.

CHANGES IN BOARD'S STAFF:

The following appointments were approved:

Division of Audit and Examination:

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Date Effective</u>
Mr. Ralph Chapman,	Federal Reserve Examiner	\$2,700	Upon arrangement for release by Federal Reserve Bank of Minneapolis.

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Secretary's Office:

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Date Effective</u>
Miss Ruth A. Westergren,	Stenographer,	\$1,200	Oct.9,1918
Ulysses S. Evans,	Asst.in Mails & Files Room,	1,100	Oct.16,1918

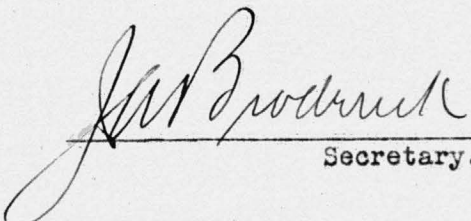
Division of Foreign Exchange, New York:

Miss Dorothy Parvin,	Clerk,	1,200	Oct.10,1918
Miss Pauline Dutcher,	File Clerk,	720	" 7, "
Miss Evalina Graham,	File Clerk,	750	" 7, "
Charles Holly,	Office Boy,	540	" 7, "
Mrs. Elizabeth Kervan,	Asst.in Filing,	720	" 7, "
Miss Laurence Cooper,	Asst.in Filing,	1,100	" 7, "
Miss Alma Islip,	Stenographer and Typist,	1,200	" 7, "

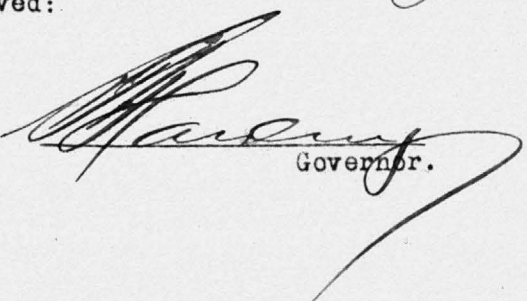
Division of Issue and Redemption:

Miss Julia D. Murphy,	Clerk-Counter,	900	Sept.28,1918
Emily S. Waters,	Clerk-Counter,	900	Oct. 2, 1918

At 12:20 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.