At a regular meeting of the Federal Reserve Board held in the office of the Board on October 22, 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 October 18th were read and on motion approved subject to approval by an additional member of the Committee.

The minutes of the meeting of the Executive Committee held on October 17th were read and approved, and the action therein set forth ratified.

The minutes of the meetings of the Gold Export Committee held on October 18th, 19th, 21st and 22d were presented and approved, and the action therein set forth ratified.

Morning business was presented and disposed of as follows:

Governor Harding stated that he was in receipt of advice that it was the intention of the Governor and the Federal Reserve Agent of the Federal Reserve Bank of Kansas City to submit bills against the War Finance Corporation for fees for attending meetings of the Kansas City Cattle Loan Agency. After discussion of the subject in general, it was:
Voted that it is the sense of the Board that officers of the Board and the Federal Reserve Banks should receive no extra compensation for duties performed for other governmental agencies.

Governor Harding submitted memorandum of special 2% certificates of indebtedness of the United States purchased for deposit with the Comptroller of the Currency as collateral for Federal Reserve notes as follows:

<table>
<thead>
<tr>
<th>Federal Reserve Bank of:</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
<td>Oct. 19,1918</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Cleveland</td>
<td>Oct. 19,1918</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

Approved.

Telegram dated October 21st, addressed by Governor to Federal Reserve Bank of Atlanta, in re policy as to renewal of rediscounts.

Approved.

Telegram dated October 21st, from Federal Reserve Bank of Dallas requesting rediscount of $7,500,000 member bank collateral notes one to 15 days, secured by Government obligations.

Governor Harding reported that he had arranged such rediscount at a rate of 4% as follows:

<table>
<thead>
<tr>
<th>Federal Reserve Bank,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Cleveland</td>
<td>2,500,000</td>
</tr>
</tbody>
</table>

Approved.

Applications of the following institutions to accept
drafts and bills of exchange up to 100% of their capital and surplus under the provisions of Section 13 of the Federal Reserve Act, were approved:

Central State National Bank, Memphis, Tenn.; Harris Trust & Savings Bank, Chicago, Ill.

Report of Examination of the Federal Reserve Bank of Cleveland as of close of business August 17, 1918, with abstract thereof by Secretary, dated October 21, 1918.

Ordered circulated.

Report of examination of Federal Reserve Bank of Minneapolis as of close of business September 7, 1918, with abstract thereof by Secretary, dated October 21, 1918.

Ordered circulated.

Draft of telegram dated October 22d, addressed to Governors of all Federal Reserve Banks calling a conference of Transit and Audit Officers to be held in Chicago about November 11th.

Approved.

Letter dated October 19th, from Federal Reserve Agent at Atlanta, asking if it is the desire of the Board that the Federal Reserve Bank of Atlanta absorb expenses of the District Capital Issues Committee amounting to $586.95, incurred prior to May 17, 1918.

Voted to approve such absorption.
Opinion of Counsel dated October 19, 1916, in re change of reserve status of banks located in outlying districts of reserve and central reserve cities pursuant to the provisions of Section 19 of the Federal Reserve Act as Amended September 26, 1918, with particular reference to the right of the Federal Reserve Board to discriminate as between banks in such outlying sections.

Approved.

After full discussion it was voted that the Board will not attempt to define such outlying sections in cities in districts other than Boston and New York, but that the Board will give consideration to individual applications received from such banks as may feel entitled to a change of reserve requirements, pursuant to the terms of the new law, such applications to show location of bank, capital, surplus and profits, and deposits, the latter divided as follows: individual deposits; deposits and collection account of local banks and trust companies, and deposits of out of town banks; applications when completed to be submitted through and accompanied by recommendation of Federal Reserve Agent.

Voted further that Federal Reserve Agents be authorized to submit direct to the Federal Reserve Board general applications in behalf of all such banks in their re-
spective districts without awaiting individual action of banks concerned.

Governor Harding presented a letter of Federal Reserve Agent Jay, New York, dated October 11, 1918, defining such outlying sections in his District, and recommending reserve requirements of banks in such sections.

Voted to approve subject to approval by an additional member of the Board in order to comply with the requirements of the law that at least five members of the Board shall constitute a quorum for action on reserve requirements of member banks. Ordered that a copy of Mr. Jay's letter be inserted in the auxiliary minute book as of this date.

Governor Harding then presented letters of October 6th and 17th of Federal Reserve Agent Curtiss, Boston, defining such outlying sections in his District, and recommending reserve requirements of banks in such sections.

Voted to approve subject to approval by an additional member of the Board in order to comply with the requirements of the law that at least five members of the Board shall constitute a quorum for action on reserve requirements of member banks. Ordered that a copy of Mr. Curtiss' letter be inserted in the auxiliary minute book as of this date.

Letter, dated October 18th, from National Shawmut Bank, Boston, requesting permission to purchase 750 additional shares of stock of the Mercantile Bank of the Americas, Inc.

Approved.
Letter dated October 14th, from Federal Reserve Agent at Dallas, and reply by Governor dated October 18th, in re proposed increases in salaries at Federal Reserve Bank of Dallas.

Noted.

Memorandum by Assistant Secretary Adelson dated October 18th, recommending approval of arrangement made by Director Kent of the Division of Foreign Exchange for the rental of space in his office at 15 Wall Street, New York, to Mr. Domenico Gidoni, Delegate of the Instituto Nazionale, whose expenses are paid by the Italian Government, on a month to month basis at $100 per month.

Approved.

Mr. Williams presented letter dated October from Deputy Governor Treman of the Federal Reserve Bank of New York, in re call for report of gold holdings of national banks in the next stated report of condition of national banks.

Referred to Governor for reply.

Governor Harding stated that certain member banks apparently are unwilling to give to Federal Reserve Banks, reports as to their earnings and dividends and asked the Comptroller of the Currency to request such banks to furnish the information to the Federal Reserve Banks, calling their
attention to the power vested in the Federal Reserve Board by the provisions of Section 21 of the Federal Reserve Act whereby the Board may require them to furnish the same.

Mr. Williams stated that he would be glad to communicate with such banks along this line.

Mr. Miller presented letter dated October 17th, from the Federal Reserve Agent at San Francisco with reference to the effect upon the Board of Directors of that Bank of the Federal Reserve Board's recent classification of electoral groups for class "A" and "B" Directors.

Referred to Mr. Miller for reply.

REPORTS OF COMMITTEE NO. 1:

Dated October 22d, 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 October 19th, recommendation of Clayton Act Committee that Mr. Lucius W. Robinson be granted permission to serve at the same time as Director of the Lincoln National Bank, Rochester, N.Y., and as Chairman of the Board of the Rochester Trust and Safe Deposit Company, Rochester, N.Y.

Approved.

CHANGES IN STAFF:

Dated October 16th, application of Mrs. Lulu C. Richardson for leave with pay to enable her to engage in emergency relief work in connection with the epidemic of Spanish influenza.

Approved.
The following appointments were recommended, and approved:

**Secretary's Office:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Salary</th>
<th>Date Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addie Connor</td>
<td>Charwoman</td>
<td>$10 per week</td>
<td>Oct. 21, 1918</td>
</tr>
<tr>
<td>John Curtis</td>
<td>Messenger</td>
<td>$840 per annum</td>
<td>Oct. 28, 1918</td>
</tr>
</tbody>
</table>

**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 Marion Brown</td>
<td>Stenographer and Typist</td>
<td>$900</td>
<td>Oct. 21, 1918</td>
</tr>
<tr>
<td>Miss Irene Pratt</td>
<td>Telephone Opr. &amp; File Clerk</td>
<td>$900</td>
<td>Oct. 21, 1918</td>
</tr>
</tbody>
</table>

The following increases in salaries were recommended, and approved:

**Secretary's Office:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Increase</th>
<th>Date Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlisle Johnson</td>
<td>Messenger</td>
<td>$10 per month</td>
<td>Nov. 1, 1918</td>
</tr>
</tbody>
</table>

**Federal Reserve Bank of Atlanta:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Increase</th>
<th>Date Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. A. Cranberry</td>
<td>Manager, Credit Bureau</td>
<td>$300 per annum</td>
<td>---</td>
</tr>
</tbody>
</table>

The following correction in salary was recommended, and approved:

**Division of Foreign Exchange:**

Miss Alma Islip, appointed October 7, 1918, at $1,200 per annum on recommendation of Division; corrected to $1,000 per annum.

Dated October 22d, resignation of Alfred H. Laning as Federal Reserve Examiner to take effect at close of business November 6, 1918. Accepted.
At 12:30 P.M., the meeting adjourned.

Approved:

Action referred to in above minutes approved.

Chairman.