

At a special meeting of the Federal Reserve Board, held in the office of the Board on October 26, 1918, at 3 P. M.,

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

Business was presented and disposed of as follows:

Telegram dated October 26th, from Federal Reserve Agent at Atlanta, advising that Cashier Stiles of the Jacksonville branch of the Federal Reserve Bank of Atlanta had tendered his resignation.

Noted.

Letter dated October 18th, from Dr. H. Parker Willis, <sup>(Director)</sup> Chief of the Division of Analysis and Research, giving plan of investigation of the following topics:

1. Trade acceptance inquiry;
2. gold policy inquiry;
3. Federal Reserve note inquiry.

Approved.

Form letters submitted by Dr. Willis, to be sent to merchants, banks and bankers, requesting certain data for use in connection with compilation work of the Division of Analysis and Research.

Approved.

Governor Harding reported the purchase of special 2% certificates of indebtedness of the United States for

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deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes, as follows:

<u>For Federal Reserve Bank of:</u>	<u>Date</u>	<u>Amount</u>
New York,	Oct.26,1918	\$5,000,000
Boston,	"	2,000,000
Minneapolis,	"	500,000

Approved.

Governor Harding reported that Secretary McAdoo had formally approved the minutes of the meeting of October 22d, at which the policy was adopted in re changes in reserve status of banks in outlying sections of reserve and central reserve cities, in pursuance to the provisions of Section 19 of the Federal Reserve Act.

Letter from Counsel dated October 26th, in re criticism of opinion rendered in re credit desired by International Products Company.

Tabled for further consideration by the Board. Papers referred to Mr. Strauss for his information.

Letter dated October 25th, from Deputy Governor Case of the Federal Reserve Bank of New York in re rediscount of customers' notes given for the purpose of carrying Fourth Liberty Loan bonds and secured thereby.

Referred to Counsel for opinion.

Application of Old National Bank, Spokane, Wash-

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ington, for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13.

Approved upon the understanding that the Spokane Branch be instructed to keep in touch with this Bank and ascertain if management is carrying out promises with respect to reduction of slow and doubtful items appearing on last examination.

Article for insertion in November bulletin in re examination of State Bank members.

Approved.

Memorandum by Secretary dated October 17th, in re examination of Guaranty Trust Company of New York.

Voted that, in order to attain uniformity in the standard of examinations in future, cooperative examinations of State bank members of the Federal Reserve System will be conducted in all States in which arrangements have been effected whereby examiners from the staff of the Board or of the Federal Reserve Banks may act with the examination staff of the State in which such examinations have not heretofore been made; and, in addition, special independent credit examinations of such members will be held.

(At this point Mr. Williams joined the meeting)

Memorandum by Secretary dated October 25th, in re special certificates purchased that day to cover debit balance in Treasury's General Account.

Noted.

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Letter dated October 23d, from Governor of the Federal Reserve Bank of Minneapolis, and two letters dated October 23d, from Federal Reserve Agent at Minneapolis in re recommending modification of Board's ruling with respect to the classification of electoral groups for class "A" and class "B" directors.

Voted to disapprove.

Memorandum dated October 25th, from Comptroller of the Currency, submitting abstract of Schedule 31 of last report of examination in regard to "Affiliated Companies".

Ordered circulated.

Proposed letter dated October 25th, to be addressed to First National Bank of Duluth, Minn., stating that advanced consideration will be given its application for the exercise of fiduciary powers.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated October 26th, 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 25th, recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

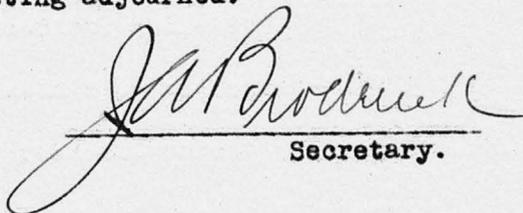
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CHANGES IN STAFF:

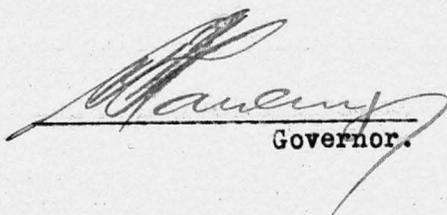
Dated October 23d, recommending approval of increase in salary of Examiner William J. Duane from \$3,600 to \$3,900 per annum, effective November 1, 1918.

Approved.

At 4:20 P. M., the meeting adjourned.

  
Secretary.

Approved:

  
Governor.