

At a meeting of the Federal Reserve Board held  
in the office of the Board on November 22, 1918, at 11 A.M.,

PRESENT:- Mr. Harding, presiding  
Mr. Strauss  
Mr. Hamlin  
Mr. Williams  
Mr. Broderick, Secretary.

The minutes of the meeting of the Board held on  
November 20th were read and on motion approved.

The minutes of the meetings of the Gold Export Com-  
mittee, held on November 21st and 22d, were presented and  
approved, and the action therein set forth ratified.

Morning business was presented and disposed of as  
follows:

Memorandum by Secretary dated November 9, 1918,  
recommending information to be requested and also plan to  
be followed in the examination of the following banks en-  
gaged in international and foreign banking which have filed  
agreements with the Federal Reserve Board:

Mercantile Bank of the Americas  
American Foreign Banking Corporation  
First National Corporation  
Asia Banking Corporation  
International Banking Corporation

Approved.

Upon request of the Board, Mr. Williams agreed to  
have National Examiners make examinations of the First  
National Corporation and International Banking Corporations

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if, and when, deemed necessary, in connection with the regular examination of the First National Bank of Boston, which owns the entire capital stock of the First National Corporation, and the National City Bank which owns the entire capital stock of the International Banking Corporation.

Governor Harding reported the purchase for the Federal Reserve Bank of Chicago on November 21st of special two per cent certificate of indebtedness of the United States for \$1,000,000 for deposit with the Comptroller of the Currency as collateral for Federal Reserve Bank notes.

Approved.

Discount rate sheets received from various Federal Reserve Banks. No changes recommended.

Noted.

Governor Harding presented to the meeting a silver medallion received from the Sverige Riksbank, Stockholm, commemorating the 250th anniversary of the organization of that Institution.

Voted that members of the Board contribute privately to the purchase of a silver medallion commemorating the administration of Woodrow Wilson as President of the United States, for transmission to the Sverige Riksbank, with the compliments of the Board.

Memorandum dated November 21st, from the Comptroller of the Currency, transmitting a report of the failure of the

Caisse d'Epargue Bank, Vienna, Austria.

Noted.

Application of Central Union Trust Company, New York, for permission to accept drafts and bills of exchange drawn upon it up to 100% of its capital and surplus, under the provisions of Section 13.

Approved.

Governor Harding reported the following rediscount transactions, pursuant to authority heretofore vested in him:

November 20th, rediscount of \$5,000,000 member bank 15 day collateral notes secured by Government obligations for Federal Reserve Bank of Dallas, taken by Federal Reserve Bank of Minneapolis, at 4%.

November 21st, rediscount of \$5,000,000 member bank 15 day collateral notes secured by Government obligations for Federal Reserve Bank of Atlanta, taken by Federal Reserve Bank of Chicago, at 4%.

Noted.

Letter dated November 19th, from the Governor of the Federal Reserve Bank of Minneapolis, asking approval of the Board of action of the directors of that Bank, authorizing a dividend at the rate of 6% per annum to be paid to the stockholders of said Bank on December 31, 1918, for the period June 30, 1918, to January 1, 1919.

Approved.

Memorandum dated November 21st, submitting recommendations with respect to extensions and additions to the leased wire telegraph service of the Federal Reserve System.

Approved.

Memorandum dated November 6th, submitted by the Statistician and approved by the Secretary, recommending that all lawful money, including gold and gold certificates, silver and silver certificates and legal tender notes, in transit from Federal Reserve Banks to the Treasury at Washington and elsewhere, and between a Federal Reserve Bank or branch and another Federal Reserve Bank or branch, be reported as part of the reserve holdings of the bank or branch.

Approved.

Letter dated November 19th, from Federal Reserve Agent at Minneapolis, transmitting resolutions of Board of Directors of that Bank, requesting that the Board have re-examined and reconsidered, opinion of Board's Counsel published in the September, 1918, Bulletin, to the effect that a note or bill rediscounted by a bank need not be included as a liability of the maker to the bank within the meaning

of Section 5200 Revised Statutes of the United States.

Referred to Mr. Hamlin as Chairman of the Law Committee for report.

Governor Harding submitted for approval proposed circular letter dated November 22d to Federal Reserve Agents in re revision of Regulation F, Series of 1917, fiduciary powers of national banks, prepared by Counsel.

Approved.

Governor Harding submitted for approval, draft of letter dated November 22d, to be addressed to all Federal Reserve Banks, with reference to revenue stamps on drafts drawn to finance sales of goods to Allied Purchasing Commission.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated November 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.

Special consideration was given to the application of the Fannin County Bank, Bonham, Texas, for admission to the Federal Reserve System. There were submitted in this connection, memorandum prepared by Secretary dated November 21st, and memorandum by Counsel dated November 21st, containing

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opposing views as to the conditions of membership. Discussion was had as to whether or not stockholders in the Fannin County National Bank, in liquidation, should not all be given opportunity to subscribe to the stock of the new bank.

Mr. Williams moved that it be stated as a view of the Board that because of the good will and the value of the bank's business that has been built up and deposits accumulated by the use of the capital of eliminated stockholders, their rights should be recognized and they be given an opportunity of subscribing to the new stock. The motion was lost, and it was voted to admit the bank on general conditions only.

Mr. Williams requested that he be recorded as not voting.

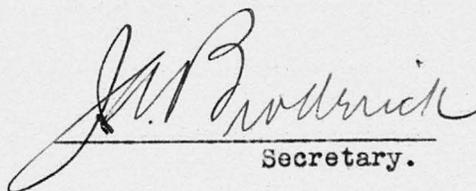
CHANGES IN STAFF:

Dated November 22d, recommending that the salary of Mr. John DeLamater, Chief Clerk and Supply Agent, be increased from \$2,900 to \$3,600 per annum, effective December 1st.

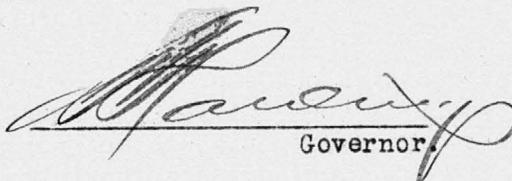
Approved.

Dated November 20th, recommending the designation of  
 Messrs. Royal W. Guild and H. Wallace  
 Blanchard as Federal Reserve Examiners  
 at the Federal Reserve Bank of Boston.  
 Referred to Secretary and Chief  
 of the Division of Audit and Examina-  
 tion, with power.

At 12:50 P.M., the meeting adjourned.

  
 Secretary.

Approved:

  
 Governor.