

At a meeting of the Federal Reserve Board held
in the office of the Board on November 27, 1918, at 11 A.M.,

PRESENT: The Governor
Mr. Strauss
Mr. Hamlin
Mr. Miller
Mr. Broderick, Secretary.

The minutes of the meeting of the Board held on
November 22d, were read, and on motion approved as amended.

The minutes of the meeting of the Executive Com-
mittee held on November 25th, were read, and on motion ap-
proved.

The minutes of the meetings of the Gold Export
Committee, held on November 23d, 25th and 26th, were pre-
sented and approved, and the action therein set forth ratified.

Morning business was presented and disposed of as
follows:

Report of Mr. Hamlin dated November 23d, in re ap-
plicability to rediscount of the provisions of Section
5200 of the Revised Statutes.

Approved.

The Governor stated the method pursued by Federal
Reserve Banks in transmitting to the Treasury Department
Government drafts paid by them as fiscal agents of the
Government, and reported that a considerable volume of
such drafts had been lost in transmission from the

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Federal Reserve Bank of New York. Discussion was had as to improved method of keeping records of such transactions, and shipments of canceled drafts.

Referred to Governor with power.

Report of examination of the Federal Reserve Bank of San Francisco as of September 21, 1918.

Referred to Chairman of the San Francisco Committee and ordered circulated.

Letter dated November 22d, from the Secretary of the Federal Reserve Bank of Chicago, transmitting resolution of the Board of Directors of that Bank, asking approval of dividend at the rate of 6% for the period July 1, 1918, to January 1, 1919.

Approved.

Governor Harding stated that the question of approval of the application of the Federal Reserve Bank of Chicago for authority to purchase proposed bank site was as yet undetermined.

Voted that a special meeting of the Board be held at 3 P.M. on Tuesday, December 3d, for the consideration of the applications of the Federal Reserve Banks of Chicago and New York for authority to invest in building sites.

Mr. Hamlin gave notice that at such meeting he would submit the following resolution:

"Resolved that it is essential for public

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reasons that the site of the Federal Reserve Bank of Chicago be as near the Sub-Treasury as possible".

Governor Harding reported the following purchases of special 2% certificates of indebtedness of the United States for deposit with the Comptroller of the Currency as collateral for Federal Reserve Bank notes:

<u>For Federal Reserve Bank of:</u>	<u>Date</u>	<u>Amount</u>
Chicago,	Nov.25,1918	\$1,000,000
Boston,	Nov.26,1918	1,000,000
St.Louis,	Nov.26,1918	498,000
New York,	Nov.27,1918	1,000,000
Richmond,	Nov.27,1918	499,000
Dallas,	Nov.27,1918	499,000

Approved.

Letter dated November 22d, from Governor of the Federal Reserve Bank of Atlanta, suggesting that the Federal Reserve Board rule that Federal Reserve Banks could discount under repurchase agreements, commercial bills bought in the open market or bills arising out of commercial, industrial or agricultural transactions, but that renewals should not be permitted.

Voted that the Governor advise the Atlanta Bank that the Board did not care, without further investigation of the subject, to put into effect such a rule affecting all Federal Reserve Districts, but that if the Atlanta Bank felt that conditions in its district called for such action, the Board would have no objection to its making effective the method proposed.

The Governor reported the following rediscount

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transactions between Federal Reserve Banks pursuant to authority vested in him at the meeting of the Board on November 18th:

November 26th, repurchase by Federal Reserve Bank of Boston, of \$5,000,000 acceptances rediscounted for it by Federal Reserve Bank of Philadelphia at $4\frac{1}{4}\%$.

November 26th, by Federal Reserve Bank of Chicago, for Federal Reserve Bank of Atlanta, of \$5,000,000 member bank collateral notes secured by Government obligations, rate 4%.

November 26th, by Federal Reserve Bank of Minneapolis, for Federal Reserve Bank of Dallas, \$5,000,000 member bank collateral notes secured by Government obligations, rate 4%.

Noted.

Draft of letter dated November 26th, to be addressed by the Secretary to the Federal Reserve Bank of St. Louis, in re surrender of warehouse receipts and shipping documents supporting acceptances.

Approved.

Memorandum by Counsel, dated November 25th, recommending waiver of condition imposed upon membership in the System of The New England Trust Company, to the effect that it would be necessary for stockholders desiring allotment of stock purchased through the Trust Company to file binding agreements with the Trust Company.

Approved.

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Memorandum by Counsel dated November 23d, in re application of excess loan condition imposed in approving membership of First State Bank, Gresham, Oregon.

Approved.

Memorandum by Counsel dated November 25th, in re application of the Union Savings & Trust Company, Seattle, Washington, for permission to convert into the Union National Bank of Seattle, and application of the Union National Bank for permit to exercise trust powers.

Voted to advise that trust powers will be granted upon the understanding that the institution shall not pay dividends in excess of 6% per annum until it shall have accumulated a surplus of at least 20%.

REPORTS OF COMMITTEE NO. 1:

Dated November 27th, 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 November 26th, recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

CHANGES IN STAFF:

Dated November 20th, recommending the appointment of Mr. Fay Kiser as Clerk on the staff of the Federal Reserve Agent at San Francisco, at a salary of \$142 per month.

Approved.

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Dated November 21st, recommending approval of increase in salary of National Bank Examiner Ben Hayes, Jr., from \$3,000 to \$3,300 per annum, effective December 1st.
Approved.

Dated November 23d, recommending increase in salary of Manager Robert B. Locke of the Detroit Branch of the Federal Reserve Bank of Chicago to \$9,000 per annum.
Mr. Miller was recorded as not voting.
Approved.

The following business was presented by the Governor:

Letter dated November 26th, from the Federal Reserve Agent at Richmond, recommending the adoption of plan for group insurance for the employees of the Federal Reserve Bank of Richmond.

Voted that the Governor instruct the Chairman of the Federal Reserve Bank of Richmond that the Board approves a straight group insurance for the employees of that Bank, but does not approve the method proposed by the Bank to effect the result desired.

Letter dated November 25th, from Assistant Federal Reserve Agent Gidney at New York, transmitting opinion by Messrs. White & Case in re fiduciary powers exercised by corporations coming into competition with national banks in New York, New Jersey and Connecticut.

Referred to Mr. Hamlin and ordered circulated to Messrs. Strauss and Miller.

Letter of Counsel dated November 26th, in re status

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of Federal Reserve notes as reserve under the California Bank Act as amended in 1917.

Referred to Mr. Miller.

Letter dated November 23d, from Governor of the Federal Reserve Bank of Kansas City, asking approval of contracts in connection with the construction of a new Federal Reserve Bank building at Kansas City.

Approved.

Memorandum by Counsel dated November 20th, in re proposed amendment to Section 9 of the Federal Reserve Act, to authorize the Board to treat surplus as capital in passing upon applications of State institutions for membership in the Federal Reserve System.

Ordered circulated.

Memorandum by Counsel dated November 25th, in re liquidation of the Ridgely National Bank and the Farmers' National Bank, Springfield, Illinois, in the purchase of assets of these two banks by the Ridgely Farmers' State Bank, organizing, and the proposed application of that bank for membership.

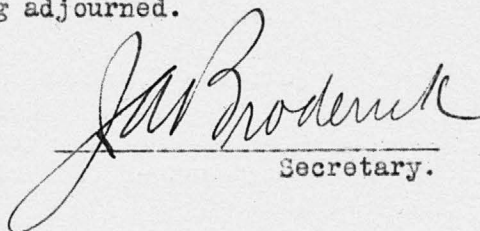
Approved.

Memorandum by the Governor in re membership in the Federal Reserve System of Mutual Savings Banks.

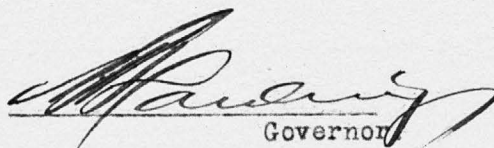
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Ordered circulated.

At 1 P.M., the meeting adjourned.


Secretary.

Approved:


Governor