At a meeting of the Federal Reserve Board held in the office of the Board on January 10, 1919, at 11 A. M.,

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

By unanimous consent the reading of minutes of previous meetings was deferred until the next meeting of the Board.

Morning business was presented and disposed of as follows:

The Governor reported the purchase of the following special 2½% certificates of indebtedness of the United States for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes:

<table>
<thead>
<tr>
<th>For Federal Reserve Bank of</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>Jan. 9, 1919</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Kansas City</td>
<td>Jan. 9, 1919</td>
<td>500,000</td>
</tr>
</tbody>
</table>

Approved.

Telegrams from various Federal Reserve Banks in re discount rates. No changes recommended.

Noted.

Letter of Ex-Secretary McAdoo dated January 7th, acknowledging receipt of the resolutions adopted by the Board at its meeting on December 5th upon the occasion of his resignation as Secretary of the Treasury.
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Noted.

Memorandum by General Counsel dated January 4th, explaining the provisions of Section 13 of the Federal Reserve Act relating:

(1) To the power of member banks to accept drafts drawn in domestic transactions;

(2) To the eligibility for rediscount by Federal Reserve Banks of member bank acceptances.

Approved, and Governor authorized to transmit to Federal Reserve Banks.

Letter dated January 7th, from Federal Reserve Agent at Boston, advising of election of officers of the Federal Reserve Bank of Boston for the year 1919.

Noted.

Memorandum by General Counsel dated December 28th, requesting leave of absence with pay on January 16th, 17th and 18th.

Approved.

Letter dated January 6th, from W. J. Echols, President, Merchants' National Bank, Fort Smith, Arkansas, suggesting basic lines of credit to be established by Federal Reserve Banks.

Noted.

Letter dated January 7th, from Manufacturers Associ-
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ation of New Jersey, submitting resolution protesting against Board's policy of curtailment of credits.

Referred to Governor to ascertain specific publication to which exception is taken, and report.

Letter dated January 3d, from Governor, Federal Reserve Bank of Atlanta, submitting report of action taken to meet criticisms of Federal Reserve Examiner.

Referred to Secretary for report.

REPORTS OF COMMITTEE NO. 1:

Dated January 10th, recommending admission of State institution as set forth in the auxiliary minute book as of this date, subject to the conditions stated in the individual reports attached to the application.

Approved.

Dated January 9th (5 reports) recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated January 9th, recommending approval of application of Morrison C. Colyer to act at the same time as Director of National State Bank, Newark, N.J., and of the City Trust Company, Newark, N. J.

Approved.

Dated January 9th, recommending approval of application of Isaac B. Hopper, Esq. to serve at the same time as Vice-President of Chemical National Bank, New York City, and as Director of Peoples Trust & Guaranty Company, Hackensack, N.J.

Approved.
CHANGES IN STAFF:

Dated January 9th, recommending accessions to staff of General Counsel.

Voted to approve employment by General Counsel of a file clerk and an additional stenographer, and that action on recommendation of employment of an Assistant Counsel, and an Assistant to Counsel, be deferred.

Dated January 10th, recommending action on applications for fiduciary powers as stated in the auxiliary minute book as of this date.

Approved.

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

Other business was presented and disposed of as follows:

Letter dated January 6th, from Cashier, Federal Reserve Bank of New York, reporting the employees engaged by that Bank since November 15, 1918, at salaries of $2,400 per annum or over.

Noted.

Letter dated January 6th, from Chairman of the Federal Reserve Bank of Atlanta, submitting recommendation as to plan of operation and personnel of the Savannah Agency of that Bank.

Approved subject to the condition that the work of such agency shall be audited monthly by the Audit Department of the Federal Reserve Bank of Atlanta.

Voted that Assistant Secretary Adelson be authorized
to visit the Federal Reserve Bank of Atlanta, leaving Washington on Saturday, January 11th, and remaining at the Atlanta Bank for such length of time as may be necessary for him to see that the recommendations of the Federal Reserve Examiner upon the last examination have been made effective.

Voted further that Mr. Adelson's expenses while at Atlanta in this connection and for his travel to and from Atlanta, be borne by the Federal Reserve Bank of Atlanta, and that Bank notified accordingly.

Telegram dated January 9th, from Federal Reserve Agent at St. Louis, advising of the election of directors and officers of the branches of that Bank.

Approved.

Memorandum by General Counsel dated December 31st, submitting program of State legislation for the year 1919, recommended by the American Bankers' Association.

Ordered circulated.

Memorandum by General Counsel dated January 9th, in re letter of December 14th from Governor of the Federal Reserve Bank of Atlanta, requesting ruling by the Board on the subject of transfers for account of member banks.

Governor to reply.

Letter dated January 4th, from Dr. H. Parker Willis,

Tabled for meeting on Monday, January 13th.

Letter dated January 8th, from Deputy Governor Case of New York, reporting initial deposit with that Bank under the Peruvian exchange agreement.

Noted.

The Governor presented Bulletin No. 1 of the U. S. Council of State Banking Associations.

Ordered circulated and inserted in the January issue of the Federal Reserve Bulletin.

Opinion of Counsel dated December 30th, in re acceptances against the purchase of goods in process of importation.

Referred to Law Committee for further opinion.

Telegram dated January 9th, from Federal Reserve Agent at San Francisco, requesting approval of salary of $1,000 per month for Mr. Edward Elliott, Assistant Federal Reserve Agent, while engaged upon special temporary work on State legislation in connection with the campaign for additional State bank members.
Voted that the Secretary ascertain contemplated period of special employment.

At 12:30 P.M., the meeting adjourned.

Approved:

[Signature]

Secretary.

[Signature]

Governor.