At a meeting of the Federal Reserve Board held in
the office of the Board on January 15, 1919 at 11 A.M.,

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

The minutes of the meeting of the Board held on January
13 were read and on motion approved as amended.

The minutes of the meetings of the Gold Export Committee
held on January 14 and 15 were presented and approved, and
the action therein set forth ratified.

Consideration of the special order business, adjustment
of discount rates, was by unanimous consent deferred until
later in the meeting.

Morning business was presented and disposed of as follows:

The Governor reported conference by him with Assistant
Secretary of the Treasury Leffingwell on the subject of the
rate borne by the temporary certificates of indebtedness of
the United States given by the Treasury Department to cover
overdrafts with Federal Reserve banks, and stated that from
the information given him by Mr. Leffingwell the 2% rate ap-
peared equitable.

Report by Secretary, dated January 14, in re office space
in the Metropolitan Bank Building, Washington.
Referred to Executive Committee with continuing power.

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

Application of the National City Bank of New York for permission to open a branch in the Kingdom of Spain, having its main office in the City of Madrid, and if advisable a sub-branch, agency or office in the City of Barcelona.

On motion duly seconded it was ordered that the following order be entered upon the minutes of the meeting:

In the Matter

of the

Application of THE NATIONAL CITY BANK OF NEW YORK, for leave to establish a Branch in the KINGDOM OF SPAIN, with its main office in the CITY OF MADRID.

ORDER GRANTING LEAVE TO ESTABLISH A BRANCH IN THE KINGDOM OF SPAIN.

The National City Bank of New York, having on or about January 13, 1919, filed an application with this Board for the purpose of obtaining authority to establish a Branch, with its main office in the City of Madrid, Kingdom of Spain, and, if it shall seem advisable to the officers of the Bank, with a sub-branch, agency or office in the City of Barcelona, in the said Kingdom, and the said application having been considered; and it appearing that the said application is properly made under the laws of the United States of America and should be approved, Now, therefore, it is

ORDERED, that the said application be and it hereby is approved, and that the said Bank be and it hereby is authorized to establish a Branch, with its main office in the City of Madrid, Kingdom of Spain, and, if it shall seem advisable, with a sub-branch, agency or office in the City of Barcelona, in the said Kingdom.
Report by Secretary, dated January 14, recommending approval of the application of the National Bank of Commerce, Norfolk, Virginia, for permission to accept up to 100% of its capital and surplus, under the provisions of Section 13 of the Federal Reserve Act.

Approved.

(At this point Mr. Williams withdrew from the meeting.)

Letter dated January 11 from the International Banking Corporation advising of the contemplated opening by it of a branch at Rangoon, Burma, British India.

Noted.

Letters dated January 10 and 11, from Governor, Federal Reserve Bank of Minneapolis, in re cooperation of Clearing House Associations in collection system.

Ordered circulated.

Letter dated January 11, from Dr. Willis, in re editorial policy for "Review of the Month" in the FEDERAL RESERVE BULLETIN.

Voted that Mr. Willis be informed that upon his next visit to Washington the Board will be glad to discuss the entire question with him.

Letter dated January 11, from the Federal Reserve Bank of Atlanta, stating that the Board of Directors of that bank had appointed Mr. J. A. McCord as Governor for the year 1919, requesting approval of his salary at $10,000 per annum, and advising that the bank's Board had voted to vest in the Chairman
of the Board the executive administration of the institution.

After considerable discussion it was, on motion duly seconded, voted that the salary of the Governor of the Federal Reserve Bank of Atlanta be approved at the rate of $10,000 per annum; and that the Governor notify the Directors of the Federal Reserve Bank of Atlanta that they are without power to vest the executive functions of the bank in the Federal Reserve Agent or Chairman of the Board of Directors, and that it is their duty to make proper provision for the executive conduct of the bank. Voted further that the Governor be directed to visit Atlanta at the expense of the Board for the purpose of informing himself as to what steps should be taken, looking to the improvement of the management of the Federal Reserve Bank of Atlanta.

Letter dated December 31, from Senator Frank B. Kellogg

in re plan of organization of so-called State reserve banks.

Noted.

Memorandum of Assistant Secretary Chapman, dated January 14, requesting approval of contract of New York Telephone Company, providing for installation of one extension and station for use of Division of Foreign Exchange.

Approved.

REPORTS OF COMMITTEE NO. I.

Dated January 15, 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.

Approved.

Dated January 15, (3 reports) recommending changes in stock at Federal Reserve banks as set forth as of this date in the auxiliary minute book.

Approved.
Dated January 13, recommending appointment of Miss Mina Robertson as stenographer in the office of General Counsel at a salary of $1,320 per annum.

Approved, General Counsel authorized to fix salary at $1,400 if found necessary to secure services.

Dated January 15, recommending increase in the salary of R. M. Gidney, Assistant Federal Reserve Agent, New York, from $5,000 to $6,000 per annum, effective January 1, 1919.

Approved.

Telegram dated January 15, from Federal Reserve Agent, San Francisco, reporting efforts of State Bank Superintendent to obstruct conversion of Producers Savings Bank, Bakersfield, California, into National bank.

(During the discussion of this subject Mr. Williams returned to the meeting.)

Voted that General Counsel prepare telegram to Federal Reserve Agent, notifying him that the Government will support its National banks to the limit of the law and that the State Superintendent of Banking goes beyond his powers in endeavoring to obstruct such conversion, and instructing the Federal Reserve Agent to advise the Directors of the Producers Savings Bank to this effect immediately, and the Superintendent of Banking at the proper time, such telegram to be submitted for approval to the Comptroller of the Currency.

The Governor stated that it was in order to consider the question of the adjustment of discount rates, made special order business at this meeting.

By unanimous consent it was voted to defer consideration of this question until the meeting of the Board to be held on Friday, January 17.
At 12:55 P.M. the meeting adjourned.

Secretary.

Approved:

Governor.