

UNITED STATES GOVERNMENTEXECUTIVE OFFICERS

President	- Woodrow Wilson (re-elected Nov. 1916, inaugurated March 4, 1917)
Secretary of Treasury	- Carter Glass (appointed Dec. 16, 1918, served until Feb. 1, 1920)
Comptroller of Currency	- John Skelton Williams (date of appointment Feb. 2, 1914, resigned March 2, 1921)
Secretary of State -	Robert Lansing
Secretary of War -	Newton D. Baker
Secretary of Navy -	Josephus Daniels
Secretary of Interior -	Franklin K. Lane
Secretary of Agriculture -	David F. Houston
Secretary of Commerce -	William C. Redfield Joshua W. Alexander
Secretary of Labor -	William B. Wilson
Postmaster General -	Albert S. Burleson
Attorney General -	Thomas W. Gregory A. Mitchell Palmer

1919
December

U. S. G O V E R N M E N T

S E N A T E

Banking and Currency Committee

66th Congress

Republicans

McLEAN, George P.
PAGE, Carroll S.
GRONNA, Asle J.
NORRIS, George W.
FRELINGHUYSEN, Joseph S
PENROSE, Boies
CALDER, William M.
NEWBERRY, Truman H.
KEYES, Henry W.

Connecticut
Vermont
North Dakota
Nebraska
New Jersey
Pennsylvania
New York
Michigan
New Hampshire

Democrats

OWEN, Robert L.
HITCHCOCK, Gilbert M.
POMERENE, Atlee
FLETCHER, Duncan U.
KENDRICK, John B.
HENDERSON, Charles B.
WALSH, David I.

Oklahoma
Nebraska
Ohio
Florida
Wyoming
Nevada
Massachusetts

1919
December

U. S. G O V E R N M E N T

HOUSE OF REPRESENTATIVES

Banking and Currency Committee

66th Congress

Republicans

PLATT, Edmund	New York
McFADDEN, Louis T.	Pennsylvania
DALE, Porter H.	Vermont
McCULLOCH, Roscoe C.	Ohio
KING, Edward J.	Illinois
SCOTT, Frank D.	Michigan
NELSON, Adolphus P.	Wisconsin
STRONG, James G.	Kansas
ECHOLS, Leonard S.	West Virginia
BROOKS, Edward S.	Pennsylvania
HILL, William H.	New York
LUCE, Robert	Massachusetts
BURDICK, Clark	Rhode Island

Democrats

PHELAN, Michael F.	Massachusetts
EAGLE, Joe H.	Texas
WINGO, Otis	Arkansas
STEAGALL, Henry B.	Alabama
HAMILL, James K.	New Jersey
LONERGAN, Augustine	Connecticut
BRAND, Charles H.	Georgia
STEVENSON, William F.	South Carolina

FEDERAL RESERVE BOARDEx Officio Members

Carter Glass,
 Secretary of the Treasury
 Chairman
 John Skelton Williams
 Comptroller of the Currency

W. P. G. Harding, Governor
 Albert Strauss, Vice Governor

Adolph C. Miller
 Charles S. Hamlin
 Henry A. Moehlenpah

Secretary's Office

J. A. Broderick, Secretary (resigned Sept. 1)
 W. T. Chapman, Secretary (succeeded Broderick)
 L. C. Adelson, Asst. Secretary
 W. T. Chapman, Asst. Secretary (before Sept.)
 R. G. Emerson, Asst. Sec. (After Sept.)
 W. W. Hoxton, Executive Secretary

M. C. Elliott, General Counsel

Fiscal Agent

W. M. Imlay, Fiscal Agent

M. Jacobson, Statistician

Division of Operations & Examinations

W. W. Paddock, Chief

Division of Analysis and Research

H. Parker Willis, Director

Division of Foreign Exchange

F. I. Kent, Director

FEDERAL RESERVE BOARD: FOR THE YEAR 1919

MEMBERS:

W. P. G. Harding, Governor
Albert Strauss, Vice Governor
Adolph C. Miller
Charles S. Hamlin
Henry A. Moehlenpah (appointed Sept. 5, took oath Nov. 10, Delano

MEMBERS EX OFFICIO:

Carter Glass, Secretary of the Treasury, Chairman
John Skelton Williams, Comptroller of the Currency

Staff

General Counsel: George L. Harrison
Secretary: W. T. Chapman
Asst. Secretary: R. G. Emerson
Fiscal Agent: W. M. Imlay
Chief, Division of Operations and Examination: W. W. Paddock
Executive Secretary: W. W. Hoxton
Director, Division of Analysis and Research: H. Parker Willis
Statistician: M. Jacobson
Acting Director, Division of Foreign Exchange: J. E. Crane

FEDERAL ADVISORY COUNCIL

District No. 1 (Boston)	Daniel G. Wing
District No. 2 (New York)	A. B. Hepburn
District No. 3 (Philadelphia)	L. L. Rue, Vice President
District No. 4 (Cleveland)	W. S. Rowe
District No. 5 (Richmond)	J. G. Brown
District No. 6 (Atlanta)	Charles A. Lyerly
District No. 7 (Chicago)	James B. Forgan, President
District No. 8 (St. Louis)	F. O. Watts
District No. 9 (Minneapolis)	C. T. Jaffray
District No. 10 (Kansas City)	E. F. Swinney
District No. 11 (Dallas)	E. P. Wilmot
District No. 12 (San Francisco)	A. L. Mills

Merritt H. Grim, Secretary

Federal Reserve Bank of Boston (Dist. 1)

OFFICERS

Governor	-	Charles A. Morss
Deputy Governors	-	Charles Spencer Jr. C. C. Bullen
Chairman and Federal Reserve Agt.	-	Frederic Curtiss
Deputy Chairman	-	Allen Hollis
Asst. Federal Res. Agent	-	Russell B. Spear

Federal Reserve Bank of Boston (Dist. 1)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
FARNAM, Thos. W. (New Haven, Conn.)	1919
BEAL, Thomas P. (Boston, Mass.)	1920
KENNARD, Edward S. (Rumford, Me.)	1921 (elected)
 <u>Class B</u>	
MORSE, E. R. (Proctor, Vt.)	1919
ALLEN, Philip R. (East Walpole, Mass.)	1920
WASHBURN, Chas. G. (Worcester, Mass.)	1921 (re-elected)
 <u>Class C</u>	
METCALF, Jesse H. (Providence, R.I.)	1919
CURTISS, Frederic H. (Boston, Mass.) Chairman and FR Agent	1920
HOLLIS, Allen (Concord, N.H.) Deputy Chairman	1921 (re-appointed)

Federal Reserve Bank of New York (Dist. 2)

OFFICERS

Governor	-	Benjamin Strong, Jr.
Deputy Governors	-	R. H. Treman (retired Oct. 31) J. H. Case L. F. Sailer J. F. Curtis
Chairman and Federal Reserve Agent	-	Pierre Jay
Deputy Chairman	-	George F. Peabody
Asst. Federal Reserve Agent	-	Ray Gidney (resigned in May) Shepard Morgan (succeeded Gidney)

DIRECTORS

<u>CLASS A</u>	<u>Term Began</u>	<u>Dec. 31 Term Ended</u>
WOODWARD, William (New York)	1/1/17	1919
TREMAN, Robert H. (Ithaca)	1/1/18	1920
SMITH, Charles, (Oneonta)	1/1/19	1921 (reelected)
 <u>CLASS B</u>		
TOWNE, Henry R. (New York)	1/1/17	1919
THOMPSON, William B. (Yonkers)	1/1/18	1920
PALMER, Leslie R. (Croton-on Hudson)	1/1/19	1921 (reelected)
 <u>CLASS C</u>		
JAY, Pierre (New York)	1/1/17	1919 (Chairman)
SAUNDERS, William L. (Plainfield)	1/1/18	1920
PEABODY, George F. (Lake George)	1/1/19	1921 (reappointed)(Dep Chairman)

Federal Reserve Bank of Philadelphia (Dist. 3)

OFFICERS

Governor	-	E. Pusey Passmore
Deputy Governor	-	William H. Hutt, Jr.
Chairman and Federal Reserve Agent	-	Richard L. Austin
Deputy Chairman	-	H. B. Thompson
Assistant Federal Reserve Agent	-	Arthur E. Post

Federal Reserve Bank of Philadelphia (Dist. 3)

DIRECTORS

<u>Class A</u>	Term Expires <u>Dec. 31</u>
WAYNE, Joseph (Jr.) (Philadelphia, Pa.)	1920
DOUGLAS, Francis (Wilkes-Barre, Pa.)	1921 (elected)
MURPHY, M. J. (Clarks Green, Pa.)	1919
 <u>Class B</u>	
JOHNSON, A. B. (Philadelphia Pa.)	1919
STUART, E. S. (Philadelphia, Pa.)	1920
HADDON, Chas. K. (Canden, N. J.)	1921 (elected) ^{re-}
 <u>Class C</u>	
AUSTIN, Richard L. (Philadelphia, Pa.) Chairman and FR Agent	1920
THOMPSON, H. B. (Wilmington, Del.) Deputy Chairman	1919
HARRISON, Chas. C. (Philadelphia, Pa.)	1921 (re-appointed)

Federal Reserve Bank of Cleveland (Dist. 4)

OFFICERS

Governor	-	E. R. Fancher
Assistants to Governor	- -	M. J. Fleming Frank J. Zurlinden
Chairman and Federal Reserve Agent	-	D. C. Wills
Deputy Chairman	-	Lyman H. Treadway (Died in Dec.)
Assistant Federal Reserve Agent	-	J. C. Nevin

Federal Reserve Bank of Cleveland (Dist. 4)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
ROWE, W. S. (Cincinnati, Ohio)	1919
SAMS, O. N. (Hillsboro, Ohio)	1921 (elected)
WARDROP, Robert (Pittsburgh, Pa.)	1920
 <u>Class B</u>	
WRIGHT, R. P. (Erie Pa.)	1919
STAMBAUGH, John (Youngstown, Ohio)	1921 (re-elected)
COMBS, T. A. (Lexington, Ky.)	1920
 <u>Class C</u>	
WOLFE, H. P. (Columbus, Ohio)	1921 (re-appointed)
*TREADWAY, Lyman H. (Cleveland, Ohio) Deputy Chairman	1919 (died in Dec.)
WILLS, D. C. (Bellevue, Pa.) Chairman and FR Agent	1920
*WILLIAMS, L. B. (Cleveland, Ohio)	1919 (succeeded Treadway)

Federal Reserve Bank of Richmond (Dist. 5)

OFFICERS

Governor	-	George J. Seay
Deputy Governors	-	C. A. Peple R. A. Broaddus
Chairman and Federal Reserve Agent	-	Caldwell Hardy
Deputy Chairman	-	James A. Moncure
Assistant Federal Reserve Agent	-	J. G. Fry

Federal Reserve Bank of Richmond (Dist. 5)

DIRECTORS

<u>Class A</u>		<u>Term Expires</u> <u>Dec. 31</u>
BRUTON, J. F. (Wilson, N.C.)		1919
MANN, Edwin (Bluefield, W.Va.)		1920
RIEMAN, Chas. E. (Baltimore, Md.)		1921 (elected)
 <u>Class B</u>		
OYSTER, James F. (Washington, D. C.)		1919
COKER, D. R. (Hartsville, S.C.)		1920
STRUDWICK, Edmund (Richmond, Va.)		1921 (re-elected)
 <u>Class C</u>		
MONCURE, James A. (Richmond Va.)	Deputy Chairman	1919
HARDY, Caldwell (Richmond, Va.)	Chairman and FR Agent	1920
BRUCE, Howard (Baltimore, Md.)		1921 (appointed)

OFFICERS

Governor	-	Joseph A. McCord (resigned in Feb.) M. B. Wellborn (elected in Feb.)
Deputy Governor	-	L. C. Adelson
Chairman and Federal Reserve Agent	-	M. B. Wellborn, (Resigned in Feb.) Joseph A. Mc Cord (elected in Feb.)
Deputy Chairman	-	Edward T. Brown
Asst. Federal Reserve Agent	-	Ward Albertson

Federal Reserve Bank of Atlanta (Dist. 6)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
OTTLEY, John K. (Atlanta, Ga.)	1921 (elected)
FOOTE, F.W. (Hattiesburg, Miss.)	1919
KITTLES, P. R. (Sylvania, Ga.)	1920
 <u>Class B</u>	
McCRRARY, J. A. (Decatur, Ga.)	1921 (re-elected)
HARTFORD, W. H. (Nashville, Tenn.)	1919
*ZUNTS, Jas. E. (New Orleans, La.)	1920 (elected)(resigned)
*SIMON, Leon C. (New Orleans, La.)	1920 (succeed Zunts)
 <u>Class C</u>	
*WELLBORN, M. B. (Anniston, Ala.) Chairman and FR Agent	1920 (resigned in Feb.)
BROWN, Edward T.(Atlanta, Ga.) Deputy Chairman	1921 (re-appointed)
KETTIG, W. H. (Birmingham, Ala.)	1919
* McCORD, Jos. A. (Atlanta, Ga.) Chairman and FR Agent	1920 (succeeded Wellborn)

Federal Reserve Bank of Chicago (Dist. 7)

OFFICERS

Governor	-	J. B. Mc Dougal
Deputy Governor	-	C. R. Mc Kay
Asst. to Governor	-	B. G. Mc Cloud
Chairman and Federal Reserve Agent	-	William A. Heath
Deputy Chairman	-	James Simpson
Assistant Federal Reserve Agent	-	W. F. Mc Lallen

Federal Reserve Bank of Chicago (Dist. 7)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
REYNOLDS, Geo. M. (Chicago, Ill.)	1921 (re-elected)
FORGAN, J. B. (Chicago, Ill.)	1919
JOHNSON, E. L. (Waterloo, Iowa)	1920
 <u>Class B</u>	
BLODGETT, John W. (Grand Rapids, Mich.)	1919
ERSKINE, Albert R. (South Bend, Ind.)	1920 (elected)
VOGEL, A. H. (Milwaukee, Wis.)	1921 (re-elected)
 <u>Class C</u>	
HEATH, Wm. A. (Evanston, Ill.) Chairman and FR Agent	1921 (appointed)
SIMPSON, James (Chicago, Ill.) Deputy Chairman	1920
MEREDITH, E. T. (Des Moines, Iowa)	1919

OFFICERS

Governor	-	David C. Biggs
Deputy Governor	-	O. M. Atteberry
Chairman and Federal Reserve Agent	-	William McC. Martin
Deputy Chairman	-	John W. Boehne
Asst. Federal Reserve Agent	-	

Federal Reserve Bank of St. Louis (Dist. 8)

DIRECTORSClass ATerm Expires
Dec. 31

HILL, Walker (St. Louis, Mo.)

1920

UTTERBACK, J. C. (Paducah, Ky.)

1921 (elected)

ZIEGLER, Sam A. (Albion, Ill.)

1919

Class B

BIGGS, David C. (St. Louis, Mo.)

1921 (re-elected)

PLUNKETT, W. B. (Little Rock, Ark.)

1919

PERCY, Leroy (Greenville, Miss.)

1920

Class C

McC. MARTIN, Wm. (St. Louis, Mo.) Chairman and FR Agent

1921 (appointed)

BOEHNE, John W. (Evansville, Ind.) Deputy Chairman

1920

MOONEY, C. P. J. (Memphis, Tenn.)

1919

Federal Reserve Bank of Minneapolis (Dist. 9)

OFFICERS

Governor	-	Theodore Wold (resigned in October) R. A. Young (succeeded Wold)
Deputy Governor	-	None
Secretary & Cashier	-	S. S. Cook
Chairman and Federal Reserve Agt.	-	John H. Rich
Vice Chairman	-	W. H. Lightner

Federal Reserve Bank of Minneapolis (Dist. 9)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
DECKER, E. W. (Minneapolis, Minn.)	1919
HANNA, L. B. (Fargo, N. Dak.)	1920
McDOWELL, W. C. (Marion, N. Dak.)	1921 (elected)
 <u>Class B</u>	
BIGELOW, F. R. (St. Paul, Minn.)	1919
HIXON, F. P. (La Crosse, Wis.)	1921 (re-elected)
HOLTER, N. B. (Helena, Mont.)	1920
 <u>Class C</u>	
RICH, John H. (Minneapolis, Minn.) Chairman and FR Agent	1920
LIGHTNER, W. H. (St. Paul, Minn.) Deputy Chairman	1921 (re-appointed)
*BLACK, John W. (Houghton, Mich.)	1919 (resigned in Sept.)
*BENEDICT, C. Harry (Lake Linden, Mich.)	1919 (succeeded Black)

OFFICERS

Governor - J. Z. Miller, Jr.

Deputy Governor- J. L. Cross (resigned March 1)

Assistant to Governor - C. A. Worthington (elected to succeed Cross)

Chairman and Federal
Reserve Agent - Asa E. Ramsay

Assistant Federal
Reserve Agent - C. K. Boardman

Federal Reserve Bank of Kansas City (Dist. 10)

DIRECTORS

<u>Class A</u>	Term Expires <u>Dec. 31</u>
BAILEY, W. J. (Atchison, Kans.)	1919
BURNHAM, C. E. (Norfolk, Nebr.)	1920
MITCHELL, J. C. (Denver, Colo.)	1921 (re-elected)
 <u>Class B</u>	
BYRNE, T. C. (Omaha, Nebr.)	1921 (re-elected)
GIBSON, Harry W. (Muskogee, Okla.)	1920
McCLURE, M. L. (Kansas City, Mo.)	1919
 <u>Class C</u>	
FLEMING, F.W. (Kansas City, Mo.) Deputy Chairman	1919
RAMSAY, Asa E. (Kansas City, Mo.) Chairman and FR Agent	1920
MALONE, R. H. (Denver, Colo.)	1921 (re-appointed)

Federal Reserve Bank of Dallas (Dist. 11)

OFFICERS

Governor	-	R. L. Van Zandt
Deputy Governors	-	J. W. Hoopes Lynn P. Talley
Chairman and Federal Reserve Agent	-	W. F. Ramsey
Deputy Chairman	-	W. B. Newsome
Assistant Federal Reserve Agent	-	Charles C. Hall

DIRECTORS

<u>Class A</u>		<u>Term Expires</u> <u>Dec. 31</u>
SCOTT, John T. (Houston, Tex.)		1921 (re-elected)
SMITH, E. K. (Shreveport, La.)		1920
McKINNEY, B. A. (Durant, Okla.)		1919
 <u>Class B</u>		
SANSOM, Marion (Fort Worth, Tex.)		1919
KELL, Frank (Wichita Falls, Tex.)		1921 (re-elected)
CULBERTSON, J. J. (Paris, Tex.)		1920
 <u>Class C</u>		
RAMSEY, W. F. (Dallas, Tex.)	Chairman and FR Agent	1920
NEWSOME, W. B. (Dallas Tex.)	Deputy Chairman	1921 (re-appointed)
WOOTEN, H. O. (Abilene, Tex.)		1919

1919

Federal Reserve Bank of San Francisco (Dist. 12)

OFFICERS

Governor, James K. Lynch (died April 26, 1919)
John U. Calkins (started May 2, 1919)

Deputy Governor William A. Day

Asst. Deputy Governor Ira Clerk

Chairman and Federal
Reserve Agent John Perrin

Deputy Chairman Walton N. Moore

DIRECTORS

	<u>Term Expires</u> <u>Dec. 31</u>
<u>Class A</u>	
McINTOSH, C. K. (San Francisco, Cal.)	1919
FISHBURN, J.E. (Los Angeles, Cal.)	1920 (elected)
BUCHAN, M. A. (Palo Alto, Cal.)	1921 (Elected)
<u>Class B</u>	
DOHRMANN, A. B. C. (San Francisco, Cal.)	1920 (re-elected)
McGREGOR, J. A. (San Francisco, Cal.)	1921 (re-elected)
COX, E. H. (San Francisco, Cal.)	1919
<u>Class C</u>	
PERRIN, John (San Francisco, Cal.) Chairman and FR Agent	1920
ELLIOTT, Edward E. (Berkeley, Cal.)	1919
MOORE, Walton N. (San Francisco, Cal.) Deputy Chairman	1921 (re-appointed)

1919

Dec. 23

July 23

HEARINGS

U.S. Congress. Senate. Banking and currency comm HG
Incorporating institutions to engage in 2560
international or foreign banking: HEARINGSA2
66th, 1st sess. on S.2472, bill to amend the 1919
Act approved Dec. 23, 1913, known as the
Federal Reserve Act. July 23, 1919. Wash.,
Govt.ptg.off., 1919.

28 p.

Testimony: Harding, W.P.G. Letter to Committee, July
21, pp.22-24

Edge Act

F.R.Bd.L.

a

1919

HEARINGS
(EDGE ACT)

Dec. 23,
Sept. 19, 22, 25

U.S. Congress. House. Banking and currency comm.	HG
Amendment to Federal Reserve Act: HEARINGS	2560
...66th 1st sess. on S. 2472, an act to amend	.A2
the Act approved Dec. 23, 1913. Sept. 19, 22,	1919
25, 1919. Wash., Govt. ptg. off., 1919.	

3 pts.

Testimony: Harding, W.P.G. (Gov.)	Sept. 19 pp. 5-9, 17-40
Strauss, A. (Vice Gov.)	" 22, pp. 45-46, 48-70
	77-102
Harrison, G.L.	" 25 pp. 85-101
(Bd. Gen. Counsel)	

*Edge Act

Sept. 22, p. 61-69

FR. BdL.

Sept. 25, p. 77-102

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Section 7 of Federal Reserve Act was amended so as to permit Federal Reserve banks to accumulate a surplus of 100 per cent of their subscribed capital, instead of 40 per cent of their paid-in capital as previously provided, before paying the excess of such net earnings to the United States as a franchise tax. (40 Stat. 1314, Ch. 101, sec. 1.)

Eligibility of ex-board members to serve member banks.

Section 10 was amended so as to permit appointive members of the Federal Reserve Board to serve member banks after having served the full term for which they were appointed. (40 Stat. 1315, sec. 2.)

Rediscount of loans in excess of 10 per cent secured by Government bonds or notes.

Section 11(m), which formerly authorized the Federal Reserve Board to permit member banks to carry with Federal Reserve banks any portion of their reserves required by section 19 to be held in their own vaults, and which had been rendered obsolete by the Act of June 21, 1917, was stricken out; and there was substituted therefor a new section 11(m) which authorized the Federal Reserve banks to discount for member banks paper bearing the signature or indorsement of any one borrower in excess of 10 per cent, but in no case to exceed 20 per cent, of the member bank's capital and surplus, provided that all such paper was secured by a like face amount of bonds or notes of the United States issued since April 24, 1917. In effect, the amendment amended sections 9 and 13; but it was to lapse after December 31, 1920.

(40 Stat. 1315, sec. 3)

1919

September 17 Investments by national banks in foreign banking corporations

LEGISLATION

Section 25 of Federal Reserve Act was amended so as to authorize any national bank, until January 1, 1921, subject to the approval of the Federal Reserve Board but without regard to the amount of its capital and surplus, to invest not exceeding 5 per cent of its capital and surplus in the stock of one or more corporations chartered under Federal or State law and principally engaged in phases of international or foreign financial operations necessary to facilitate exports from the United States. (41 Stat. 285, Ch. 60.)

Source: Supplement to statement on Evolution of Banking Legislation by Walter Wyatt, October 26, 1939. Exhibit G

1919

October 22

Exception to limitation on indebtedness of a national bank

LEGISLATION

Section 5202 of the Revised Statutes, made a part of section 13 of the Federal Reserve Act, and limiting the total indebtedness of a national bank, was amended so as to exempt from such limitation liabilities created by the indorsement of accepted bills of exchange payable abroad actually owned by the indorsing bank and discounted at home or abroad. (41 Stat. 297, Ch. 79, sec. 2.)

Source: Supplement to statement on Evolution of Banking Legislation by
Walter Wyatt, October 26, 1939. Exhibit G

1919

December 24

"Edge Act - Amendment"

LEGISLATION

Section 25(a) of Federal Reserve Act was added, providing for the Federal incorporation of institutions to engage in international or foreign banking or other financial operations. (41 Stat. 378, Ch. 18.)

Source: Supplement to statement on Evolution of Banking Legislation by Walter Wyatt, October 26, 1939. Exhibit G

1919

FEDERAL RESERVE SYSTEM

POLICY ACTION

November 1919 to March 1921

Apparent Intent - Restrictive

- Open Market Operations - Buying rate on bankers' acceptances raised and holdings reduced sharply.
- Discount Rate - Raised from range of 4-4 1/2 to 6-7 percent at all Federal Reserve Banks* (November 1919-February 1921).
- Moral Suasion - Warnings, Federal Reserve credit not to be used to finance speculation; direct pressure on heavy borrowing banks to reduce indebtedness.
- Surrounding Circumstances - Large expansion of credit; rapidly increasing prices; and heavy commodity, security, and real estate speculation; gold reserve ratio near legal minimum.

Source: Joint Committee on the Economic Report
Monetary Policy and the Management of the Public Debt (Patman Report) 1952,
Page 216.

*At four of the Federal Reserve Banks progressively higher rates were charged on discounts over basic lines during all or part of the period April 1920-July 1921. See Banking and Monetary Statistics, p. 422.

10.101. **Qualification of Comptroller of Currency after expiration of term as member of Board.**—Where the Comptroller of the Currency was nominated for reappointment but the nomination was not acted upon by the Senate prior to its adjournment, and the Comptroller continued to exercise the duties of his office, he remained Comptroller of the Currency *de jure* and consequently was a legally qualified member of the Federal Reserve Board and entitled to receive the salary prescribed by section 10 of the Federal Reserve Act to be paid to the Comptroller as ex officio member of the Board. 31 *Op. Atty. Gen.* 401 (1919).

NOTE.—By virtue of the Banking Act of 1935, the Comptroller of the Currency ceased to be an ex officio member of the Board of Governors of the Federal Reserve System (formerly the Federal Reserve Board).

11.611.—The purchaser of an infant's real estate refused to accept title on the ground that the Supreme Court had no power to appoint a national bank as special guardian in the proceedings for the sale of the estate since such a corporation was not among those qualified under State law. In a suit to compel the purchaser to accept title, it was held that the Federal statute vesting national banks with power to act in enumerated trust capacities was superior to any inconsistent State legislation; that, while a State might reasonably regulate the exercise of the powers so conferred, it could not prohibit the exercise within its domain of the powers and functions conferred upon national banks; and that therefore, since the national bank was a "suitable person" within the meaning of the State statute, it was within the power of the State court to appoint the national bank as special guardian. *In re Mollineaux*, 109 Misc. 75, 179 N. Y. Supp. 90 (1919). 1919 BULLETIN 1059.

11.606. **Missouri.**—In an opinion dated June 12, 1919, the assistant attorney general of Missouri held that the Missouri superintendent of banks is required to receive from national banks, authorized by the Board to exercise trust powers, deposits of securities tendered by such banks in order to enable them to qualify without giving bond, in the same manner as such deposits are received from Missouri trust companies. 1919 BULLETIN 655.

NOTE.—For other rulings relating to the exercise of trust powers in Missouri, see 11.600; 11.607.

14.501. Scope of Board's power as to discount rates.—The power of the Board with respect to discount rates is not merely a power to review and approve or disapprove. Because of the addition of the words "and determination," the Board has the right to pass upon and to decide and fix discount rates established from time to time by the Federal Reserve banks. This power is clear when the provisions of section 14(d) of the Federal Reserve Act are considered in connection with the power of the Board under section 11 of the Federal Reserve Act to supervise the business of the Federal Reserve banks and the provisions of section 12 of the Federal Reserve Act creating a Federal Advisory Council with authority to make recommendations in regard to discount rates. *32 Op. Atty. Gen.* 81 (1919).

NOTE.—As to change in law, see note to 14.500.