

At a meeting of the Executive Committee of the Federal Reserve Board, held in the office of the Board on Monday, April 8, 1918, at 11:30 A. M.,

PRESENT:

Mr. Harding, presiding, Mr. Miller,
Mr. Warburg, Mr. Willis, Secretary.

Mr. Harding presented business as follows:

A telegram re trade acceptances received by him from Wallace D. Simmons and his reply to the same. The answer was approved.

A copy of the report of the Commercial National Bank of Washington, D. C., and a letter on the subject from Federal Reserve Agent Hardy; also letter of his own to Federal Reserve Agent Hardy on the same subject. Discussion of the condition of the bank ensued and the letter for transmission to Mr. Hardy was approved. In this letter request was made for the detail of the auditor of the Federal Reserve bank to examine the institution. Mr. Harding further stated to the Committee that this was the first occasion on which he had had any information of the condition of the bank.

A letter from Governor McDougal, re the dis-

tribution of acceptances and the purchase of such paper from the New York bank without endorsement, was noted.

A wire from Federal Reserve Agent Ramsay of Kansas City, re the recent schedule of rates. It was agreed to fix their rate on trade acceptances at $4\frac{1}{2}\%$ and the 90-day commercial rate at $4-3/4\%$.

A telegram from Federal Reserve Agent Perrin announcing the adoption of the Board's suggested rates; read and the rates approved for San Francisco.

It was voted that the Committee recommend that whenever a bank which has discounted on the 15-day rate makes renewal, the Federal Reserve bank may apply a rate not exceeding the 90-day rate.

A letter from Federal Reserve Agent Rich, giving data regarding the current subscriptions of banks to the last Liberty Loan; - read and noted.

A letter from Federal Reserve Agent Wills, advising against the chartering of banks with segregated savings departments; - ordered circulated.

A letter from Federal Reserve Agent Ramsay of Kansas City, re the appointment of D. C. Meigs as Assistant Federal Reserve Agent at Denver; -

read and referred to the Kansas City Committee.

A letter from Federal Reserve Agent Ramsey (Dallas) re the conditions on the directorate of the El Paso branch; - read and noted.

A letter from Federal Reserve Agent Ramsey (Dallas) re the earning assets of the Dallas bank; - read and noted.

A letter from Federal Reserve Agent Wills of Cleveland, re discount rates; read and rates approved as follows:

Member banks' collateral notes secured by Government obligations.

15 days..... 4%

Customers' notes - 16-90 days..... 4 $\frac{1}{4}$ %

Member banks' collateral notes secured by commercial paper.

15 days..... 4 $\frac{1}{4}$ %

Customers' notes - 16-90 days..... 4-3/4%

Rediscounts agricultural or livestock paper:

90 days to 6 months 5 $\frac{1}{4}$ %

Rediscounts trade acceptances

15 days and 16-90 days .. 4 $\frac{1}{2}$ %

Bankers acceptances..... 4% minimum.

A letter from Governor McDougal, re private telegraph service between Federal Reserve banks; read and noted.

A memorandum from Counsel, re the use of fac-

similes of gold certificates, etc., and suggesting the undesirability of such action, was read and the Governor requested to reply accordingly.

The question of the assistant secretaryship of the Board was considered, but no action was taken.

Discussion of the California State banking situation ensued.

A proposed letter re the Sears & Nichols Canning Company of Chillicothe, Ohio, and their bank credit accommodation, was read, modified, and ordered transmitted.

A report of Committee No. 3, re the application of E. E. Ames under the Clayton Act, was presented and referred to the Governor with power to act along the lines suggested by the Committee.

On recommendation of Committee No. 2, acceptance powers to 100% were granted to the Dedham National Bank of Dedham, Massachusetts.

A report of Committee No. 2, recommending the admission of certain state institutions, was presented and accordingly the following banks were admitted on terms named in each case by the Committee:

Power City Bank, Niagara Falls, N. Y.
360 shares in the Federal Reserve Bank of N. Y.

American Bank, Baltimore, Md.
240 shares in the Federal Reserve Bank of Richmond.

Farmers & Merchants Bank, Roxbury, Idaho.
33 shares in the Federal Reserve Bank of San Fran.

A circular letter, suggesting examinations at the several Federal Reserve banks designed to ascertain whether all possible precautions are being taken to protect the Government against loss on deposits made in subscribing banks through Federal Reserve banks was ordered transmitted.

On motion, at 1:10 P. M., the Committee adjourned.

APPROVED:

Chairman

Secretary

H. P. K. ...
Secretary