

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Governor on January 23, 1919, at 11:30 A.M.,

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

PRESENT ALSO:
Mr. M. C. Elliott, General Counsel.

Business was presented and disposed of as follows:

Telegram dated January 23d, from the Federal Reserve Agent at Atlanta, requesting authority to accept renewal of acceptances against agricultural staples.

Voted that the Governor be authorized to reply by telegraph as follows:

"In existing circumstances gradual liquidation of loans against agricultural staples seems to be necessary and for this reason Board for the present will make no objection to any acceptance renewals which you may find necessary to take in working out the situation, provided in your opinion these acceptances are adequately secured."

A discussion was then had of the application of the provisions of Section 19 of the Federal Reserve Act, and Section 5191 of the Revised Statutes of the United States, bearing upon the method of calculating the reserves of member banks. General Counsel stated that he had prepared a memorandum on the subject.

Voted that General Counsel be requested to submit his memorandum to the Comptroller of the Currency for approval as a basis of a

-2-

joint ruling by the Federal Reserve Board and the Comptroller of the Currency.

The Governor stated that he was advised by the Treasury Department that sales of the $4\frac{1}{2}\%$ certificates due June 17, 1919, had lacked reaching by \$12,000,000 the aggregate set, and that the Treasury Department desired the Board to request Federal Reserve Banks to purchase same.

After discussion it was voted that the Governor be authorized to request the Federal Reserve Banks of Cleveland, Chicago and Minneapolis to purchase \$4,000,000 each of such certificates.

Proposed letter dated January 22d, to be addressed by General Counsel to Mr. Charles L. Powell, Counsel of the Federal Reserve Bank of Chicago, in re legislation to be introduced in Iowa authorizing State banks to accept drafts and bills of exchange.

Approved.

The Governor reported the consummation of the following rediscount transactions pursuant to authority heretofore vested in him:

January 22d, by Federal Reserve Bank of Cleveland for Federal Reserve Bank of Boston, \$10,000,000 member bank 15-day collateral notes secured by Government obligations; rate 4%.

January 22d, by Federal Reserve Bank of Chicago for Federal Reserve Bank of

Atlanta, \$2,500,000 member bank 15-day collateral notes secured by Government obligations; rate 4%.

Noted.

Letter dated January 17th, from Asia Banking Corporation, advising of the intended establishment by it of a branch office at Changsha, Republic of China.

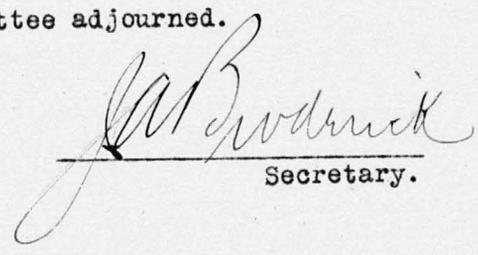
Noted.

REPORTS OF COMMITTEE NO. 1:

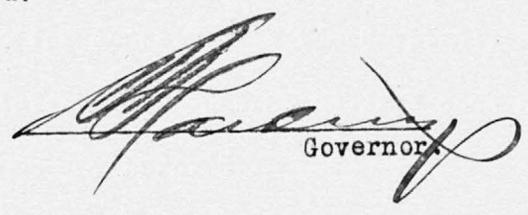
Dated January 20th, recommending approval of salary of \$2,400 per annum for Mr. John A. Guthrie, National Bank Examiner in Tenth Federal Reserve District.
Approved.

Dated January 22d, application of Alvah Miller to serve at the same time as director in the Harriman National Bank, New York City, the Mechanics Bank, Brooklyn, and the Hamilton Trust Company, Brooklyn.
Approved.

At 12:10 P.M., the Committee adjourned.


Secretary.

Approved:


Governor.