

At a special meeting of the Federal Reserve Board held in the office of the Board on January 30, 1919, at 11 A.M.

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

By unanimous consent the following matters were taken up and disposed of out of order.

Letter dated January 28th, from Mr. N. Dasher, Cashier of the South Branch Valley National Bank, Moorefield, West Virginia, in re renewal of notes secured by mortgage on town property. The Governor submitted for approval draft of reply prepared by him under date of January 30th.

Approved.

Copy of letter dated January 25th, addressed by the Federal Reserve Agent at St. Louis to Mr. B. T. Davis, Attorney for the Farmers and Merchants Bank of Hickman, Kentucky, in re desire of that bank to withdraw from the Federal Reserve System.

Voted that the Governor instruct the Federal Reserve Agent at St. Louis to inform the member bank that its application for permission to withdraw will be acted upon by the Board six months from January 30, 1919, pursuant to the provisions of Regulation H, Series 1917.

Letter dated January 28th, from Hon. N. J. Gould, House of Representatives of the United States, in re financing

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of building projects. The Governor submitted for approval his proposed letter of reply, dated January 29th.

Approved.

Application of the Union National Bank, Seattle, Washington, for permission to exercise power of "guardian of the estates of lunatics", together with memorandum by General Counsel, dated January 29th.

Approved.

Memorandum by General Counsel dated January 25th, in re interpretation of provisions of Section 13 relating to eligibility for rediscount of notes, drafts, and bills of exchange representing obligations currently incurred in the conduct of business, as distinguished from negotiable instruments representing obligations made for investment purposes.

Ordered passed to file.

Letter dated January 3d from C. M. Campbell, President of the Carolina Stock Farms, Inc., in re discount of live stock and agricultural paper.

Referred to the Governor for reply.

(At this point the Chairman and Mr. Williams joined the meeting, the former assuming the chair).

Special order business was presented and disposed of as follows:

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Proceeds of acceptances drawn to finance goods in process of importation - request of the National Bank of Commerce of New York for ruling as to classification of such acceptances, in view of criticism by the Comptroller of the Currency of their holding of acceptances of Firestone Tire & Rubber Company, growing out of a certain importation of rubber.

After considerable discussion, during the course of which Mr. Williams withdrew from the meeting, it was voted that the Board should not at this time undertake the formulation of a ruling as to the eligibility of acceptances of the kind named, but that the Governor advise the Federal Reserve Bank of New York that the Board, in this particular case, would interpose no objection to the holding by the National Bank of Commerce, until maturity, of the acceptances in question, and that the Comptroller be informed accordingly.

Letter dated January 28th, from Mr. Kenzel, Manager of Investments, Federal Reserve Bank of New York, submitting for approval, plan for the creation of a syndicate for the marketing of \$50,000,000 of Belgian acceptance credits.

(During the discussion of this question the Comptroller returned to the meeting. The Chairman withdrew from the meeting before a conclusion was reached).

Voted that, in view of the complexity of the question submitted, the Governor request the Federal Reserve Agent at New York to come

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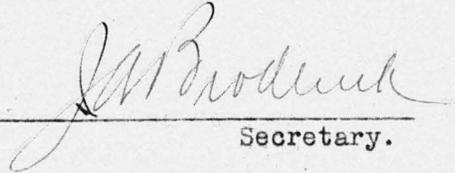
to Washington, upon a date mutually convenient, accompanied by one of the syndicate managers, for the purpose of discussing the matter with the Board.

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

Memorandum by Secretary, in re payment of salary of James F. Browne, employed as messenger by the Federal Reserve Board.

Referred to the Governor with power.

At 12:55 P.M., the meeting adjourned.

  
Secretary.

Approved:

  
Governor.