

At a meeting of the Executive Committee of the Federal Reserve Board held in the Board Room on February 28, 1919, at 11 A.M.,

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

Business was presented and disposed of as follows:

Reports of discount rates received from Federal Reserve banks; no changes recommended.

Noted.

The Governor reported the following rediscount transaction pursuant to authority heretofore vested in him:

February 27th, by Federal Reserve Bank of Chicago for the Federal Reserve Bank of Philadelphia, \$15,000,000 member bank 15 day collateral notes secured by Government obligations; rate 4%.

Noted.

Memorandum by the Comptroller of the Currency recommending approval of the application of the American National Bank of Waynesburg, Pa., for permission to reduce its capital stock from \$200,000 to \$100,000.

Upon condition that the entire amount of reduction be used to take out of bank slow and doubtful assets; approved as submitted.

Telegram from Federal Reserve Agent at San Francisco, asking Board's approval of penalty for deficient reserves, increasing progressively each month.

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Approved.

Memorandum by the Secretary dated February 28th, advising against the establishment, at the present time, of a bureau of barometrics; stating that the plan will be published in the March Bulletin, and suggesting that galley proof containing plan be sent to all Governors and Federal Reserve Agents for expression of opinion.

Secretary authorized to submit to Federal Reserve Agents and Governors for suggestion.

The following reports were submitted:

Dated February 27th, recommending approval of the application of William B. Megear for permission to serve at same time as director of the National Bank of Smyrna, Delaware, and the Equitable Trust Company, Wilmington, Delaware.

Approved.

Dated February 27th, recommending approval of application of D. W. Corbit for permission to serve at same time as director of the New Castle County National Bank, Odessa, Delaware, and the Equitable Trust Company, Wilmington, Delaware.

Approved.

Dated February 27th, recommending approval of application of G. A. Kelley, for permission to serve at same time as director or president of the Lufkin National Bank, Lufkin, Texas, as director of the Guardian Trust Company, Houston, Texas, and as director of the Union National Bank, Houston, Tex.

Approved.

Dated February 27th, recommending approval of application of

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R. H. Dunham for permission to serve at same time as director of the Liberty National Bank, New York City, and of the Equitable Trust Company, Wilmington, Delaware.

Approved.

Dated February 25th, recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

Other business was presented and disposed of as follows:

Letter dated February 26th from the Federal Reserve Agent at Cleveland, inquiring if the Board would object to the Federal Reserve Bank of Cleveland taking out membership in the American Acceptance Council.

Referred to the Secretary for reply that Board will interpose no objection, but suggesting that Mr. Wills confer with his own Counsel as to the propriety of such action.

Letter dated February 24th from the Governor of the Federal Reserve Bank of Dallas, in re apparent violation of Section 22 of the Federal Reserve Act by the Farmers Guaranty State Bank of Jacksonville, Texas.

Voted that the Governor communicate to the Attorney General of the United States the facts presented, for such action as may be deemed proper.

Voted that circular letter be sent to all Federal Reserve Agents, instructing them to report to the Board promptly each and every violation or apparent violation of Section 22 of the Federal Reserve Act.

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Report by the Supervising Architect of the Treasury Department, dated February 27th, in re building plans of the Federal Reserve Bank of Richmond.

Referred to Mr. Hamlin for report.

Memorandum by General Counsel dated February 27th, in re loss of interim certificate for \$100,000 by the Hibernia Bank and Trust Company of New Orleans.

Referred to the Governor with power.

Opinion of Assistant Counsel Harrison dated February 27th, in re application of the Lumbermens Trust Company, Portland, Oregon, for membership in the System.

Referred to Mr. Hamlin for report.

Opinion of Assistant Counsel Harrison dated February 24th, in re security for drafts accepted by the American Foreign Banking Corporation, New York.

Referred to Mr. Hamlin for report.

Opinion of Assistant Counsel Harrison dated February 24th, in re Section 11 (k) - deposit of securities with State officials by National banks exercising trust powers in Minnesota.

Referred to Mr. Hamlin for report.

Letter dated February 20th from the Governor of the Federal Reserve Bank of Kansas City, suggesting an agreement

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between the Treasury Department and the several Federal Reserve banks to permit Federal Reserve banks to cancel and forward to the Treasury Department unfit Federal Reserve notes of other Federal Reserve banks in the same manner as their own.

Referred to the Secretary for report.

Letter dated February 28th from General Counsel Elliott, submitting his resignation as such, effective March 1, 1919.

The resignation was accepted, and on motion duly seconded Mr. Hamlin was requested to prepare and submit to the Board at its meeting to be held on Monday, March 3d, suitable form of resolution bearing upon Mr. Elliott's resignation.

The Secretary submitted for approval form of press statement announcing the resignation of Mr. M. C. Elliott as General Counsel; the appointment of Mr. George L. Harrison as his successor, and the appointment of Mr. Elliott as Consulting Counsel, effective March 1, 1919.

Approved and ordered published in the March Bulletin.

Letter dated February 27th from the Comptroller of the Currency, requesting approval of sundry increases in salaries of National Bank examiners.

Approved as submitted.

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Memorandum by the Secretary dated February 28th, recommending approval of the appointment of Mr. A. J. Kunz as Assistant Federal Reserve Examiner at a salary of \$2,500 per annum.

Approved.

Memorandum by the Secretary dated February 28th, submitting for approval, form of telegram to all Federal Reserve banks in re schedule showing when proceeds of bankers acceptances will be available if collected through Federal Reserve banks.

Approved.

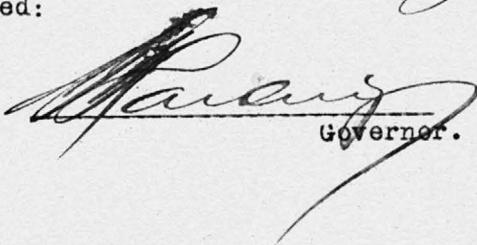
At this point Mr. Harrison, Assistant Counsel, joined the meeting and submitted for approval redraft of Counsel's memorandum dated January 4th, in re security of acceptances in excess of 10%.

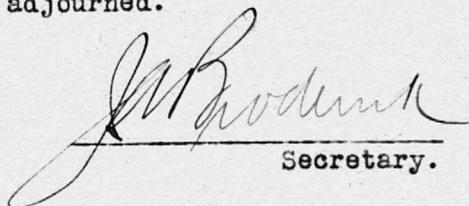
Referred to the Law Committee for report.

The Governor reported the reserve positions of the several Federal Reserve banks.

At 12 noon the meeting adjourned.

Approved:


Governor.


Secretary.