

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Board on March 14, 1919, at 11 A.M.,

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

Business was presented and disposed of as follows:

Memorandum from General Counsel dated March 13th, regarding the proposed sale of equipment of the Division of Foreign Exchange.

General Counsel having stated that he knew of no law prohibiting the sale of the equipment and supplies in question, the sale thereof was authorized by the Board.

Memorandum by General Counsel dated March 13th, regarding the application of the Army National Bank of Schofield Barracks, Hawaii, for trustee powers.

General Counsel having stated that there appears to be no legal objection to granting the application, same was referred to the Board's sub-committee for the usual memorandum and recommendation.

Letter dated March 12th from Deputy Governor Case, Federal Reserve Bank of New York, regarding the operations of National banks in his district, which are members of the Witham System.

Read and noted.

Letter dated March 10th from Mr. W. F. Ramsey,

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Chairman of the Board of Directors of the Federal Reserve Bank of Dallas, enclosing minutes of the meeting of the Board held on March 6th.

Noted.

Letter dated March 10th from Mr. W. F. Ramsey, Chairman of the Board of Directors of the Federal Reserve Bank of Dallas, again recommending increase in the salary of Mr. W. P. Clark, Chief Clerk of the Auditing Department of the El Paso Branch, from \$125 to \$150 per month.

Approved.

Telegram from Federal Reserve Agent Ramsey at Dallas, reporting defalcation by subordinate employee of the El Paso Branch, aggregating from \$1,000 to \$5,000.

Read and noted.

Application of the Seattle National Bank, Seattle, Washington, for permission to invest \$70,000 in stock of the American Foreign Banking Corporation.

Approved.

Letter dated March 5th from Mr. S. G. Sargent, Chief Examiner, Federal Reserve Bank of San Francisco, enclosing correspondence with the Bank of Rosalia regarding their method of handling their customers' Liberty bonds.

Referred to the Secretary for reply.

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Memorandum from the Department of State dated March 10th, enclosing copy of communication from the Legation of the United States at The Hague, Netherlands, dated December 26, 1918, regarding the floating of a large loan in the United States, Denmark, Switzerland, and Holland, in an effort to avoid the menace of severe economic policy on the part of Belgium, France and England.

Read and noted.

Memorandum from General Counsel dated March 11th, in regard to proposed amendment to the Negotiable Instruments Law in re notice of defect.

Read and noted.

Memorandum by General Counsel dated March 11th, with reference to the right of a Federal Reserve bank to count as reserve earmarked gold held by such bank in a foreign agency, together with complete file of correspondence relating to the Bank of England transaction.

Read and noted.

Memorandum by General Counsel dated March 12th, regarding the Denby Bill, providing for Federal incorporation of companies engaged in foreign trade.

Referred to Mr. Hamlin.

The Governor reported the purchase on March 13th, of

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special 2% certificate of indebtedness of the United States for \$500,000 for the Federal Reserve Bank of Atlanta, for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes.

Approved.

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

Noted.

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

March 13th, by the Federal Reserve Bank of St. Louis for the Federal Reserve Bank of Richmond, \$2,500,000 member bank eleven to fifteen day collateral notes secured by Government obligations; rate 4%.

March 13th, by the Federal Reserve Bank of Kansas City for the Federal Reserve Bank of Richmond, \$2,500,000 member bank eleven to fifteen day collateral notes secured by Government obligations; rate 4%.

March 13th, by the Federal Reserve Bank of Chicago for the Federal Reserve Bank of Richmond, \$5,000,000 member bank eleven to fifteen day collateral notes secured by Government obligations; rate 4%.

March 13th, by the Federal Reserve Bank of Chicago for the Federal Reserve Bank of Dallas, \$5,000,000 member bank fifteen day collateral notes secured by Government obligations; rate 4%.

March 13th, by the Federal Reserve Bank

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of Chicago for the Federal Reserve Bank of Philadelphia, \$5,000,000 member bank fifteen day collateral notes secured by Government obligations; rate 4%.

March 13th, by the Federal Reserve Bank of Minneapolis for the Federal Reserve Bank of Philadelphia, \$5,000,000 member bank fifteen day promissory notes secured by Government obligations; rate 4%.

March 13th, by the Federal Reserve Bank of Chicago from the Federal Reserve Bank of New York, purchase of \$20,000,000 bankers' acceptances maturing within 60 days; rate 4% for thirty day paper, and 4-1/8% for thirty-one to sixty day paper.

Noted.

Draft of letter by the Governor to the Chairman of the Board of Directors of each Federal Reserve bank, forwarding copy of correspondence dated March 13th, between the Director General of Railroads and the Federal Reserve Board, regarding the rediscounting by Federal Reserve banks of trade acceptances of the Railroad Administration.

Read and approved.

Report dated March 14th, recommending action on applications for fiduciary powers as set forth in the auxiliary minute book as of this date.

Approved.

Application of the Merchants and Farmers Bank of Charlotte, North Carolina, for permission to exercise fiduciary powers.

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It appears from the report of the Committee that the only criticism of this bank is the fact that it is charging 7 $\frac{1}{2}$ % and 8% interest, whereas the legal rate in North Carolina is 6%. During the discussion as to whether or not it should be granted trustee powers, Mr. Williams withdrew from the meeting. It was voted to approve the application.

Reports (2) dated March 13th, recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.  
Approved.

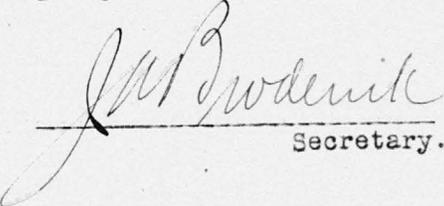
Letter dated March 11th from the Comptroller of the Currency, requesting approval of salary of \$1,080 per annum for Miss Martha J. Martin, Clerk in the Federal Reserve Issue and Redemption Division.

Approved.

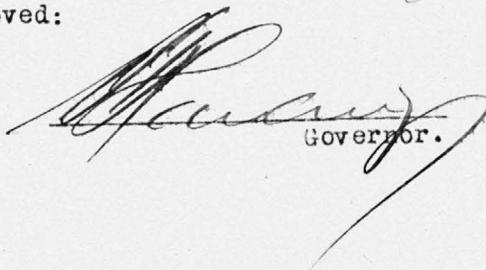
Application of the Fifth Avenue Bank of New York for permission to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13.

Approved.

At 11:55 A.M., the meeting adjourned.

  
Secretary.

Approved:

  
Governor.