

At a meeting of the Federal Reserve Board held in the office of the Board on March 24, 1919, at 11 A.M.,

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

Morning business was presented and disposed of as follows:

The Governor reported the purchase of special 2% certificates of indebtedness of the United States for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes, as follows:

<u>For Federal Reserve Bank of:</u>	<u>Date</u>	<u>Amount</u>
Philadelphia	Mar. 19, 1919	\$1,500,000
Cleveland	Mar. 20, 1919	500,000
St. Louis	Mar. 22, 1919	500,000

Approved.

Application of the Michigan National Bank, St. Clair Heights, Detroit, Michigan, for reduction of reserve requirements.

Unanimously approved. (The Chairman was present for the consideration of this question).

Application of the Paterson National Bank, Paterson, New Jersey, for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13.

Approved.

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Letter dated March 17th from the Federal Reserve Agent at Atlanta, advising of the appointment of Mr. J. K. Ottley as Governor pro tem. of the Federal Reserve Bank of Atlanta to serve in the absence or disability of both the Governor and Deputy Governor, at compensation equal to that paid to directors for attendance upon Board meetings.

Approved.

Letter dated March 14th from the Federal Reserve Agent at San Francisco in re legislation in that District affecting the Federal Reserve System.

Ordered circulated.

Letter dated March 14th from the Federal Reserve Agent at St. Louis, advising of the resignation of Mr. W.W. Hoxton as Deputy Governor of the Federal Reserve Bank of St. Louis and the appointment of Mr. O. M. Attebury, at present Cashier, as Deputy Governor and Cashier, effective April 1st, at a salary of \$8,400 per annum, subject to the approval of the Board.

Approved.

Letter dated March 18th from the Federal Reserve Agent at Atlanta, advising of the following appointments on the staff of the Federal Reserve Bank of Atlanta, subject to the approval of the Board:

<u>Name</u>	<u>Position</u>	<u>Salary</u> (Per Annum)
Mr. Creed Taylor,	General Auditor,	\$4,000
Mr. H. F. Coniff,	Assistant Cashier,	3,000

Approved.

Letter dated March 15th from the Federal Reserve Agent at Dallas, with further reference to defalcation reported at the El Paso Branch.

Referred to the Chief of the Division of Audit and Examination.

Letter dated March 20th from the Vice President of the Park-Union Foreign Banking Corporation, submitting for approval, form of agreement by that corporation to render its stock eligible for investment by the National Park Bank of New York to the extent of \$1,125,000. General Counsel reported that the agreement was in the form prescribed by the Board.

Approved.

Letter dated March 17th from Mr. C. A. Hinsch, President of the Fifth-Third National Bank, Cincinnati, Ohio, in re investment by member banks in stock of discount companies.

Referred to the Governor for reply.

Letter dated March 14th from the Federal Reserve Agent at San Francisco in re Chinese Nationalist propaganda.

Referred to the Law Committee for report.

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Application of the Wisconsin National Bank, Milwaukee, Wisconsin, for permission to invest \$50,000 in stock of the American Foreign Banking Corporation.

Approved.

Letter dated March 19th from the Federal Reserve Agent at New York in re effective date of regulation relating to discount of paper secured by Government obligations, in excess of limitation imposed by Section 5200 of the Revised Statutes.

Noted.

Letter dated March 19th from the Federal Reserve Agent at New York in re lines established by the Federal Reserve Bank of New York for the purchase of unendorsed bankers' acceptances.

Noted.

(At this point Mr. Williams joined the meeting).

Letter dated March 20th from the National Automobile Chamber of Commerce, Washington, in re classification of passenger automobiles as marketable staples.

Referred to the Law Committee for report.

Memorandum by General Counsel dated March 21st, in re time certificates of deposit.

Ordered circulated and docketed for the meeting of the Board to be held on Friday, March 28th.

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Letter dated March 14th from the President of the First National Bank, El Paso, Texas, requesting permission to establish a branch of that bank in the City of Chihuahua, State of Chihuahua, Mexico; together with letter dated March 17th from the Federal Reserve Agent at Dallas in connection therewith.

Referred to the Governor for reply.

Letter dated March 21st from Deputy Governor McKay, Federal Reserve Bank of Chicago, inquiring if the Board would approve the payment of the sum of \$250 assessed against that bank by the Chicago Clearing House Association as its proportion of the fund for meeting the expenses of the Sixth National Foreign Trade Convention to be held at Chicago on April 24th.

Referred to the Governor for reply, disapproving.

Joint letter dated March 20th, from the Quincy National Bank, the Rickey National Bank and the State Savings Loan and Trust Company, all of Quincy, Illinois, recommending that member banks be accorded 1% per annum profit through the discount rates of Federal Reserve banks, on sales of Victory Liberty loan notes.

Referred to the Governor for reply.

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Telegram dated March 24th, from the Federal Reserve Agent at San Francisco, in re accepting by Federal Reserve banks, deposits of notes of National banks.

Referred to the Secretary for reply.

REPORTS OF COMMITTEE NO. 1:

Dated March 24th, recommending admission of State institutions as set forth in the auxiliary minute book as of this date, subject to the conditions stated in the individual reports attached to each application.

Approved.

Dated March 24th, recommending action on applications for fiduciary powers as stated in the auxiliary minute book as of this date.

Approved.

Other business was presented and disposed of as follows:

On motion duly seconded it was voted that, pursuant to the Act of Congress approved March 19, 1918, all clocks in the Board's offices be set forward one hour at two A.M., on the last Sunday in March, and that all employees be notified accordingly.

Letter dated March 21st from the Secretary of the Federal Reserve Bank of Chicago, transmitting recommendations for approval of the following salary increases at that Bank:

A. W. Dazey,	from	\$2,000	to	\$2,400
R. H. Buss,	"	2,000	"	2,500
W. K. Lyle,	"	2,300	"	3,000

Approved.

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Letter dated March 22d from the Director of the Division of Foreign Exchange, recommending approval of the following order, effective April 1, 1919:

"Notice is hereby given that 'dealers' as defined under the Executive Order of the President of January 26, 1918, until otherwise instructed, may make transfers of funds to persons not enemies or allies of enemies resident in Esthonia, Lettland, Lithunia and Poland."

Approved.

Letter dated March 18th from Mr. A. L. Mills, member of the Federal Advisory Council for the Twelfth District, proposing a plan for the appointment of "alternate members" of the Federal Advisory Council.

Referred to General Counsel for opinion.

The Governor submitted for approval draft of letter addressed by him under date of March 22d to Mr. Henry C. Flower, President of the Fidelity Trust Company, Kansas City, Missouri, assuring that institution of the cooperation and support of the Board in changing from a State institution to a National bank with fiduciary powers.

Approved as amended.

On motion duly seconded, it was voted to postpone until the meeting of the Board to be held on March 26th, the question of the employment by the Fidelity Trust Company,

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of Mr. M. C. Elliott, the Board's Consulting Counsel, in connection with its organization as a National bank.

Mr. Hamlin stated that he had received an invitation from Mr. Thomas E. Green of the Speakers' Bureau, Treasury Department Liberty Loan Organization, requesting that he make public speeches in connection with the forthcoming Victory loan.

On motion duly seconded, it was voted that members of the Board be authorized, in their discretion, to accept, at the expense of the Board, invitations to make public speeches in connection with the forthcoming Victory Liberty Loan.

The minutes of the meeting of the Board held on March 21st were read, and on motion approved as amended.

The minutes of the meetings of the Gold Export Committee held on March 21st, 22d and 24th, were presented and approved, and the action therein set forth ratified.

At 12:30 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.