

At a meeting of the Federal Reserve Board held in the office of the Board on March 28, 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 submitted draft of prospectus of the War Finance Corporation for the proposed issue by it of \$200,000,000 Series "A" 5% gold bonds to be dated April 1, 1919, and to mature April 1, 1920, and stated that it was the desire of the War Finance Corporation that Federal Reserve banks act as its fiscal agents in the flotation of such bond issue.

On motion duly seconded, the Governor was authorized to advise Federal Reserve banks that the Federal Reserve Board has no objection to their acting in the capacity of fiscal agents for the War Finance Corporation in connection with the sale of its Series "A" 5% bonds in the aggregate principal of \$200,000,000 dated April 1, 1919, and maturing April 1, 1920.

The Governor was also authorized to advise the Managing Director of the War Finance Corporation that while the Board is advising the banks of its approval of their acting as such agents in this particular case, Federal Reserve banks can not act as fiscal agents in any other transactions of the Corporation without the specific approval of the Board.

The Governor reported the purchase of special 2% certificates of indebtedness of the United States for deposit

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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>
Cleveland	Mar.26,1919	\$100,000
St. Louis	Mar.27,1919	500,000
Cleveland	Mar.27,1919	500,000

Approved.

Report of discount rates at the several Federal Reserve banks; no changes recommended.

Noted.

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

March 27th, for the Federal Reserve Bank of Philadelphia by the Federal Reserve Bank of Chicago, \$5,000,000 member bank 15 day collateral notes secured by Government obligations; rate 4%.

Noted.

Letter dated February 24th from the Federal Reserve Agent at Dallas, in re charge against the reserve account of the First National Bank of Del Rio, Texas.

Ordered tabled for the meeting of the Board to be held on Wednesday, April 2d.

Copy of press statement by the Secretary of the Treasury, dated March 25th, in re designation of Honorable John Skelton Williams as Comptroller of the Currency.

Noted.

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Letter dated March 25th from Assistant Federal Reserve Agent Spear, Boston, transmitting application of the First National Bank of Boston for authority to accept drafts for the creation of dollar exchange in Sweden.

Voted to decline as opposed to the Board's present policy.

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

The Governor stated that he had conferred with Governor Strong of the Federal Reserve Bank of New York, and with Mr. A. B. Trowbridge, at present Consulting Architect of the Federal Reserve Bank of New York, with respect to the appointment of the latter as Consulting Architect of the Federal Reserve Board, and that Mr. Trowbridge would be willing to undertake the additional work at a compensation of \$6,666.66 per annum.

Voted to approve the appointment of Mr. A. B. Trowbridge as Consulting Architect of the Federal Reserve Board at a salary at the rate of \$6,666.66 per annum, effective April 1, 1919, with such allowance for office expenses as the Executive Committee of the Board may determine.

Voted further that the Governor notify the Federal Reserve banks of Mr. Trowbridge's appointment and instruct them to submit to him such data as he may request concerning their building plans.

The minutes of the meeting of the Board held on March 26th were read, and on motion approved.

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The minutes of the meeting of the Gold Export Committee held on March 27th were presented and approved, and the action therein set forth ratified.

Letter dated March 25th from the Director of the Bureau of the Census, in re tabulation of statistics by Federal Reserve Districts.

Referred to the Statistician.

Letter dated March 19th from the Federal Reserve Agent at San Francisco, in re proposed establishment of employees' welfare fund at the Federal Reserve Bank of San Francisco.

Referred to the Governor for reply.

Letter dated March 20th from the Federal Reserve Agent at San Francisco, in re employment of Mr. Edward Elliott in connection with State bank membership campaign, and as Counsel of the Federal Reserve Bank of San Francisco.

Ordered circulated and docketed for the next meeting of the Board.

Letter dated March 27th from the Mercantile Bank of the Americas, advising of its intention to establish a branch at New Orleans, La.

Noted.

Proposed letter to all Federal Reserve Agents dated

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March 27th, in re income tax on Federal Reserve bank stock.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated March 28th, 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 27th, (2 reports) recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated March 28th, recommending action on applications for fiduciary powers as stated in the auxiliary minute book as of this date.

Approved.

Dated March 27th, recommending approval of the application of Leslie H. Fawkes for permission to serve at same time as director of the Bankers National Bank and the Republic State Bank, both of Minneapolis, Minn.

Approved.

Dated March 27th, recommending approval of the application of S. R. Kirby for permission to serve at same time as vice president of the Northern National Bank of Duluth, Duluth, Minn., as president of the First National Bank, Hibbing, Minn., and as vice president of the First National Bank, Virginia, Minn.

Approved.

Memorandum from Dr. Willis, dated March 26th, advising of the resignation of Mr. T. A. Beal from the Division of

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Analysis and Research, effective April 1st.

Approved.

Telegram dated March 28th from the Federal Reserve Agent at San Francisco, inquiring if a corporation organized along lines similar to those of the Discount Corporation of New York would be regarded as engaged principally in international or foreign banking within the meaning of Section 25 of the Federal Reserve Act, and if National banks would be permitted to invest in its stock.

Referred to the Secretary for negative reply.

Letter dated March 27th from the Secretary of the Park-Union Foreign Banking Corporation, requesting that the agreement by that Corporation with the Board be modified by amending the last sentence on page 1 thereof to read as follows:

"While the Board will not require you to carry abroad cash reserves against deposits abroad, should it appear at any time that your business methods are such as to afford insufficient protection, the Board will formulate such restricting regulations as may be proper in the circumstances."

Approved.

Letter dated March 25th from the Federal Reserve Agent at St. Louis, in re offer received for new quarters for the Louisville branch of the Federal Reserve Bank of

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St. Louis.

Referred to the Executive Committee for reply.

Letter dated March 25th from the Federal Reserve Agent at St. Louis, in re changes in staff at the Little Rock Branch of the Federal Reserve Bank of St. Louis.

Referred to the Secretary for report.

On motion duly seconded the Secretary was instructed to prepare and submit to the Board monthly, a statement of the earnings, expenses and operations of branches of Federal Reserve banks.

Letter dated March 26th from the Assistant Chief of the Bureau of Foreign and Domestic Commerce, Department of Commerce, in re business losses by reason of congestion of shipping at Rio de Janeiro.

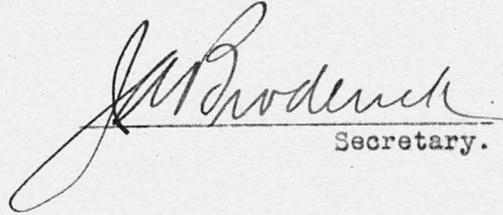
Referred to the Bulletin Committee with power.

Letter dated March 27th from Deputy Governor Peple, Federal Reserve Bank of Richmond, submitting for approval a report of operations of the Baltimore Branch of the Federal Reserve Bank of Richmond for the period March 1, 1918, to March 1, 1919, for dissemination among Maryland bankers.

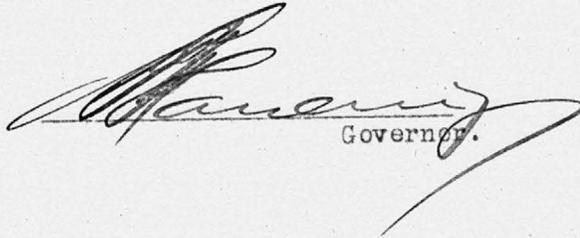
Referred to the Executive Committee with power.

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At 12:45 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.