

At a meeting of the Federal Reserve Board held in the office of the Board on Friday, April 18, 1919, at 11 A.M.

PRESENT: The Governor
Mr. Strauss
Mr. Miller
Mr. Hamlin
Mr. Williams
Mr. Chapman, Assistant Secretary.

The minutes of the meeting of the Board held on April 15 were read and on motion approved as amended.

The minutes of the meeting of the Board held on April 16 were read and on motion approved.

The minutes of the meetings of the Gold Export Committee held on April 17 and 18 were presented and approved, and the action therein set forth ratified.

Morning business was presented and acted upon as follows:

Letter dated April 14 from Mr. William F. Rieckhoff, protesting the advertisement in a circular for the sale of stock of the connection of Mr. Richard H. Malone with the Federal Reserve Bank of Kansas City.

Mr. Miller moved that the Governor be instructed to write Mr. Malone a letter, the conclusion of which shall be that the Board would be relieved of a great deal of embarrassment if he would resign as a Director of the Federal Reserve Bank of Kansas City.

Mr. Strauss moved that Mr. Miller's motion be tabled for the meeting of the Board to be held on

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Monday, April 21, and that meanwhile the Governor send a telegram to Mr. Rieckhoff, asking him to state the date on which he received the circular containing the reference to Mr. Malone's connection with the Western Oil Fields' Corporation, and to send a telegram to the Federal Reserve Bank of Chicago, asking it to ascertain whether or not L.T. Lewis was still sending out such circulars.

Voted to approve Mr. Strauss's motion.

Telegrams received from the Federal Reserve Banks of New York, Philadelphia, Atlanta, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco, recommending no changes in discount rates.

Noted.

Telegram dated April 15, from the Federal Reserve Bank of Chicago, requesting approval of the following discount rates, effective April 21.

Member bank promissory notes

- 4% for maturities within 15 days, when secured by United States certificates of indebtedness;
- 4 $\frac{1}{4}$ % for maturities within 15 days, when secured by United States Government bonds or Victory Loan notes;
- 4 $\frac{1}{4}$ % for maturities within 15 days, when secured by eligible paper;
- 5 $\frac{1}{4}$ % for maturities within 15 days, when secured by War Finance Corporation bonds.

Rediscounts

- 4 $\frac{1}{4}$ % for maturities within 90 days, when secured by Liberty Loan bonds, Victory Loan notes, or United States Treasury certificates;
- 5 $\frac{1}{4}$ % for maturities within 15 days, when secured by War Finance Corporation bonds;
- 5 $\frac{3}{4}$ % for maturities from 16 to 90 days, when secured by War Finance Corporation bonds.

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Other rediscounts

- 4 $\frac{1}{2}$ % for maturities within 15 days;
- 4 $\frac{3}{4}$ % for maturities from 16 to 90 days;
- 5 $\frac{1}{2}$ % for maturities from 91 days to 6 months.

Trade acceptances

- 4 $\frac{1}{2}$ % for maturities within 15 days;
- 4 $\frac{3}{4}$ % for maturities from 16 to 90 days.

Approved.

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

Telegram dated April 16 from the Federal Reserve Agent at Richmond, recommending abolition of the 4% rate on paper secured by Fourth Liberty Loan bonds, and the fixing of a uniform rate of 4 $\frac{1}{4}$ % up to 90 days on all paper secured by Liberty bonds, Victory notes and United States certificates.

Approved.

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

- April 16, for the Federal Reserve Bank of Cleveland,
\$1,500,000;
- April 19, for the Federal Reserve Bank of Chicago,
\$1,000,000.

Approved.

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

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April 16, by the Federal Reserve Bank of Chicago for the Federal Reserve Bank of Dallas, \$5,000,000 member bank promissory notes secured by Government obligations maturing within 15 days; rate 4%.

April 16, by the Federal Reserve Bank of Chicago for the Federal Reserve Bank of Philadelphia, \$6,000,000 member bank promissory notes secured by Government obligations maturing within 15 days; rate 4%.

April 17, by the Federal Reserve Bank of Chicago for the Federal Reserve Bank of Richmond, \$5,000,000 member bank promissory notes secured by Government obligations maturing 11 to 15 days; rate 4%.

April 17, by the Federal Reserve Bank of Cleveland for the Federal Reserve Bank of Philadelphia, \$10,000,000 member bank promissory notes secured by Government obligations maturing within 15 days; rate 4%.

Noted.

The Governor reported that special rates for paper secured by War Finance Corporation bonds, at 1% above prevailing rates for eligible commercial paper of corresponding maturities in the respective districts, had now been established at all Federal Reserve banks.

Report of examination of the Federal Reserve Bank of Richmond as at close of business March 22, 1919.

Referred to the Secretary for analysis.

Letter dated April 16 from the Federal Reserve Agent at New York, in re method of calculating reserves.

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Tabled for action upon the return of the Secretary.

Letter dated April 10 from the Federal Reserve Agent at New York, requesting approval of salary at the rate of \$18,000 per annum for Mr. Harry A. Hopf as Consulting Industrial Engineer of the Federal Reserve Bank of New York, upon the understanding that Mr. Hopf will give practically his full time to the service of the bank and that the arrangement can be terminated by either party at any time upon 60 days' notice.

Approved.

Letter dated April 14 from the Chairman of the Federal Reserve Bank of Atlanta, in re proposed establishment at Nashville, Tennessee of a branch of the Federal Reserve Bank of Atlanta.

Referred to the Secretary for report.

Application of the Liberty Bank of St. Louis for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13 of the Federal Reserve Act.

Approved.

REPORTS OF COMMITTEE NO. I:

Dated April 18, 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.

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Dated April 16, recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 16, recommending approval of the application of Kingsley Montgomery for permission to serve at the same time as director of the Cambridge Trust Company and of the First National Bank, both of Chester, Pa.

Approved.

Dated April 16, recommending approval of the application of John J. McClure for permission to serve at the same time as director of the Cambridge Trust Company and of the First National Bank, both of Chester, Pa.

Approved.

Dated April 16, recommending approval of the application of Howard H. Houston for permission to serve at the same time as director of the Chester National Bank and of the Cambridge Trust Company, both of Chester, Pa.

Approved.

Dated April 16, recommending approval of the application of Joseph H. Hinkson for permission to serve at the same time as director and solicitor of the First National Bank, of the Cambridge Trust Company, both of Chester, Pa.; and of the Ridley Park National Bank, Ridley Park, Pa.

Approved.

Dated April 16, recommending approval of the application of Richard Wetherill for permission to serve at the same time as president and director of the Chester National Bank and as vice-president and director of the Cambridge Trust Company, both of Chester, Pa.

Approved.

Dated April 16, recommending approval of the application of Robert Wetherill for permission to serve at the same time as director of the Chester

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National Bank and the Cambridge Trust Company, both of Chester, Pa.

Approved.

Dated April 16, recommending approval of the application of Joseph Courand for permission to serve at the same time as director of the Lacoste National Bank, Lacoste, Texas and of the Alamo National Bank, San Antonio, Texas.

Approved.

Letter dated April 16 from the Deputy Comptroller of the Currency, advising that furlough has been granted to Chief Examiner J.M.Logan of the Eighth Federal Reserve District for a period of one month, effective April 8.

Noted.

Letter dated April 15 from the Chairman of the Federal Reserve Bank of Chicago, in re eligibility of acceptances of the Fletcher-American Company, Indianapolis, Indiana.

Referred to the Law Committee for report.

Letter dated April 17 from the Federal Reserve Agent at New York, submitting for approval proposed by-laws of the Buffalo Branch of the Federal Reserve Bank of New York.

Approved and ordered circulated before advice of approval is given.

Letter dated April 17 from the Secretary of the Federal Reserve Bank of Philadelphia, submitting resolution of the Board of Directors of that bank, requesting a change in the method of communication from the Board to the Federal Reserve

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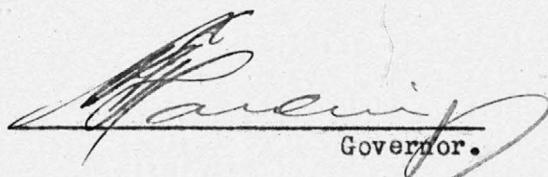
Agent and the Governor of the Federal Reserve Bank of Philadelphia.

Referred to the Secretary for submission of a form of circular letter to Chairmen of the Boards of Directors of the several Federal Reserve banks, advising them that the contents of communications addressed to them as Chairmen of their respective banks should be promptly communicated by them to the Executive Committees of their banks, and that communications affecting only their functions as Federal Reserve Agents will be addressed to them as Federal Reserve Agents.

At 1 P.M. the meeting adjourned.


Assistant Secretary.

Approved:


Governor.