At a meeting of the Federal Reserve Board held in the office of the Board on Monday, April 21, 1919, at 11 A.M.,

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

The minutes of the meeting of the Board held on April 18th were read and on motion approved as amended.

The minutes of the meetings of the Gold Export Committee held on April 19th and 21st were presented and approved, and the action therein set forth ratified.

Morning business was presented and disposed of as follows:

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

April 18th, 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%.

Noted.

Mr. Miller’s motion of April 18th in re R. H. Malone, was ordered tabled.

Letter dated April 14th from the Federal Reserve Agent at San Francisco, advising that the California Legis-
lature has passed a bill making it unnecessary for State banks desiring to join the Federal Reserve System to secure permission of the Bank Commissioner to purchase stock in the Federal Reserve Bank.

Noted.

The Governor announced that, at the proper time, he expected to move that the Board request Congress to amend Section 9 of the Federal Reserve Act so as to provide for the admission of any State bank standing a satisfactory examination, with the proviso that banks having capital of less than that required by the law as it now stands shall not be permitted to own stock in Federal Reserve banks, but shall in all other respects be subject to the requirements of the law regarding member banks, and shall be entitled to rediscount privileges under terms to be prescribed by the Federal Reserve Board.

Report by General Counsel dated April 17th, in re trust situation in Rhode Island, with particular reference to the right of the Aquidneck National Bank, Newport, Rhode Island, to exercise fiduciary powers heretofore granted it by the Board.

Voted that the Governor be authorized to notify General Counsel that the Board will do all in its power to assist the Aquidneck National
Bank in protecting its rights, even to the extent of assisting it in a test case before court.

Draft of letter dated April 21st to the Chairmen of all Federal Reserve Banks, in re method of communication between the Federal Reserve Board and the Federal Reserve banks.

Approved as amended.

Mr. Hamlin stated for the information of the Board that he had been appointed by the Secretary of the Treasury as Chairman of a committee to study the question of the possibility of abolishing the existing sub-treasury system.

Memorandum by Mr. Emerson dated April 21st, submitting request of the Federal Reserve Bank of San Francisco for authority to purchase from the Federal Reserve Bank of New York $5,000,000 bankers' acceptances.

Approved.

Letter dated April 16th from the Governor of the Federal Reserve Bank of Minneapolis, enclosing copy of his letter to the Governor of the Federal Reserve Bank of New York of same date, in re policy as to rediscount rates on paper secured by government obligations, especially Victory Loan notes.

Noted; ordered that copy be transmitted to Assistant Secretary of the Treasury Leffingwell for his information.
Telegram dated April 18th from the Chairman of the Federal Reserve Bank of Cleveland, advising that that Bank desires no change in discount rates at the present time.

Noted.

Telegram dated April 21st from the Federal Reserve Agent at Richmond, requesting approval of a rate of 4% on 15 day member bank promissory notes secured by United States certificates of indebtedness, effective April 25th.

Approved.

Letter dated April 18th from the Director of the Bureau of Engraving and Printing, in re policy to be pursued as to changes in engraved signatures on Federal Reserve bank notes.

Referred to the Governor with power, after consultation with General Counsel.

Letter dated April 15th from the Chairman of the Federal Reserve Bank of Chicago, in re eligibility of acceptances of the Fletcher-American Company, Indianapolis, Indiana. Mr. Hamlin stated that from the information contained in Mr. Heath's letter and supporting papers, he recommended that the Board approve as eligible, acceptances made by the Fletcher-American Company.

Approved.

Letter dated April 18th from Mr. E. H. Kenzel,

Noted.

Letter dated April 17th from the Secretary of the Federal Reserve Bank of New York, enclosing excerpt from the minutes of the meeting of the Board of Directors of that Bank, held on April 9th, approving, subject to approval by the Federal Reserve Board, the appropriation of $50,000 annually for the establishment of a self-insurance fund.

Approved.

Report by Mr. Hamlin dated April 21st, recommending disapproval of the application of the First Trust and Savings Bank, Sioux City, Iowa, for 75 shares in the stock of the Federal Reserve Bank of Chicago.

Disapproved.

REPORTS OF COMMITTEE NO. 1:

Dated April 19th and 21st (2 reports) recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 21st, recommending approval of applications for fiduciary powers as set forth in the auxiliary minute book as of this date.

Approved.
Dated April 19th, recommending approval of the application of F. L. Carson for permission to serve at the same time as cashier of the Kansas National Bank, Wichita, Kansas, as vice-president and director of the First National Bank, Hansford, Texas, and as president and director of the Balko State Bank, Balko, Okla. Approved.

Dated April 19th, recommending approval of the application of Albert B. Wells for permission to serve at the same time as director of the First National Bank, Boston, Mass., and as President and director of the Southbridge National Bank, Southbridge, Mass. Approved.

Dated April 19th, recommending approval of the application of Clifford E. Simonds for permission to serve at the same time as director of the Safety Fund National Bank, Fitchburg, Mass., and of the First National Bank, Boston, Mass. Approved.

Dated April 19th, recommending approval of the application of J. Fletcher Farrell for permission to serve at the same time as director of the Fort Dearborn National Bank and of the Woodlawn Trust and Savings Bank, both of Chicago, Ill. Approved.

Dated April 19th, recommending the appointment of Bliss Plaine as messenger on the Board's staff at a salary of $840 per annum, effective April 21st, vice Seaton Dyson resigned. Approved.

Other business was presented and disposed of as follows:

Memorandum by the Statistician dated April 18th, advising that in view of arrangements perfected by him, it
would not appear necessary for the Board to detail a clerk to the Bureau of Forest Service for the procurement of data desired by the Board.

Noted.

Memorandum by Mr. Hamlin dated April 21st, recommending approval of applications filed in connection with interlocking directorates of the Hackensack National Bank and the Hackensack Trust Company, Hackensack, New Jersey, as follows:


Approved.

Memorandum by Mr. Hamlin dated April 19th, in re interpretation of Section 5200 of the United States Revised Statutes.

Referred to General Counsel for report.

Memorandum by Mr. Imlay dated April 19th, recommending approval of the application of the First National Bank, Grand Forks, North Dakota, for fiduciary powers. Mr. Hamlin stated that he concurred with Mr. Imlay's recommendation.

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

Letter dated April 18th from the Federal Reserve Agent at Boston, advising of the resignation of Mr. Thomas W. Farnam, Class A director of the Federal Reserve Bank of Boston.

Noted.

Memorandum by General Counsel dated April 21st, enclosing memorandum by Consulting Counsel dated April 18th, and letter from Mr. Gidney dated March 31st, in re method of computing reserves.

Referred to the Governor for reply.

Letter dated April 19th from the Governor of the Federal Reserve Bank of Chicago, advising of the reasons moving the Executive Committee of that Bank in adopting the existing discount rates.

Ordered circulated.

Letter dated April 18th from Assistant Secretary of the Treasury Leffingwell, in re losses to subscribers to Fourth Liberty Loan bonds through the clearing house established by the San Francisco Liberty Loan Committee.

Referred to Mr. Miller.

Letter dated April 15th from Deputy Governor Talley,
Federal Reserve Bank of Dallas, in re receipt by Federal Reserve bank from member banks of acceptances purchased by the Discount Corporation of New York.

Referred to Mr. Strauss for report.

At 1 P.M., the meeting adjourned.

Approved:


Assistant Secretary.

Governor.