

At a meeting of the Federal Reserve Board held in the office of the Board on Wednesday, April 23, 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 21st were read and on motion approved.

The minutes of the meeting of the Executive Committee held on April 22d were read and on motion approved.

The minutes of the meetings of the Gold Export Committee held on April 22d and 23d were presented and approved, and the action therein set forth ratified.

Morning business was presented and disposed of as follows:

The Governor requested authority to send a letter to the Chairman of each Federal Reserve bank, requesting that wherever a change occurs in the office of Governor or Cashier of his bank, the Chairman send to the Board specimen signature of the new officer for the records of the Board, with the understanding that this signature will be used only on new plates of Federal Reserve bank notes when made, and that old plates bearing the signatures of ex-officers will be continued in use until worn out, General Counsel having

-2-

advised the Governor that the signature is not an element essential to the validity of the note.

Approved.

The Governor reported the purchase on April 22d, of special 2% certificate of indebtedness of the United States for \$500,000 for the Federal Reserve Bank of St. Louis, for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes.

Approved.

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

April 21st, for the Federal Reserve Bank of Richmond by the Federal Reserve Bank of Minneapolis, \$10,000,000 member bank promissory notes secured by Government obligations, maturing within 15 days; rate 4%.

April 22d, for the Federal Reserve Bank of Dallas by the Federal Reserve Bank of Chicago, \$2,500,000 member bank promissory notes secured by Government obligations, maturing within 15 days; rate 4%.

April 22d, for the Federal Reserve Bank of Philadelphia by the Federal Reserve Bank of Cleveland, \$5,000,000 member bank promissory notes secured by Government obligations, maturing within 15 days; rate 4%.

April 22d, for the Federal Reserve Bank of Kansas City by the Federal Reserve Bank of New York, \$10,000,000 member bank promissory notes secured by Government obligations, maturing within 15 days; rate 4%.

Noted.

-3-

Letter dated April 21st from the Comptroller of the Currency, in re circular issued by the First National Bank of Ada, Minnesota.

Referred to the Governor for reply to the Comptroller, suggesting that the matter is one that might be brought to the attention of the Federal Trade Commission as evidencing unfair methods of competition.

Letter dated April 21st from the Director of the Division of Analysis and Research, suggesting the appointment of a committee for the study of the acceptance situation and the preparation of educational literature on that topic.

Voted that the Governor be authorized to request the Chairman of the Federal Reserve Agents' Committee on Acceptances to call his Committee together, to meet in New York at a convenient time, with Mr. Willis, and to invite the attendance at such meeting of the Chairman of the Executive Committee of the American Acceptance Council, or such other officers of the Council as may be selected, for the purpose of studying the acceptance situation and of submitting to the Board recommendations as to literature for use in educating member banks in the best methods of handling acceptance business.

Memorandum by General Counsel, dated April 21st, recommending the granting of fiduciary powers heretofore withheld on legal grounds, since removed.

Approved.

Application of the First Trust and Savings Bank, Sioux City, Iowa, for membership in the Federal Reserve System, dis-

-4-

approved at the meeting of the Board held on April 21st, was presented for reconsideration.

Voted to deny the application on the ground of insufficiency of capital in relation to population, pursuant to provisions of law.

Memorandum by Mr. Imlay dated April 21st, recommending approval of the conversion of the City Bank, Syracuse, New York, into the City Bank Trust Company. Mr. Hamlin stated that he concurred in the recommendation made by Mr. Imlay.

Approved.

Memorandum by Mr. Imlay dated April 21st, recommending approval of change of name of the Sullivan Bank and Trust Company, Montgomery, Alabama, to the Merchants Bank of Montgomery.

Ordered that the change be noted on the Board's records and that the Federal Reserve Bank of Atlanta be authorized to issue appropriate certificate of stock in the name of the Merchants Bank of Montgomery, taking up and canceling the certificate now standing in the name of the Sullivan Bank and Trust Company.

REPORTS OF COMMITTEE NO. 1:

Dated April 23d, 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 April 23d, recommending approval of the application of A. V. Hunter for permission to serve

-5-

at the same time as chairman of the board and director of the First National Bank, Denver, Colorado, and as president and director of the Carbonate National Bank, Leadville, Colorado.

Approved.

Other business was presented and disposed of as follows:

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

Letter dated April 21st from the Federal Reserve Agent at Chicago, advising that the bill granting to State member banks in Iowa the privilege of carrying only such reserves as are prescribed by the provisions of the Federal Reserve Act, is assured of becoming law.

Noted.

The Governor stated that he was in receipt of a letter from the National Bank of Commerce in New York under date of April 22d, requesting permission to invest in the capital stock of the French-American Banking Corporation. The Governor stated further that he was informed that the First National Bank of Boston desired to make a similar investment and would, in order to place itself in a position to make such investment, reduce the capital stock of the First National Corporation of Boston, the entire stock of which is now owned by that Bank.

-6-

Voted that the Governor be authorized to inform the banks concerned that the Board will approve such investments upon compliance by the French-American Banking Corporation with conditions similar to those heretofore imposed upon other corporations doing a foreign banking business, whose stock has been declared by the Board as eligible for investment by National banks.

Letter dated April 21st from the Federal Reserve Agent at St. Louis, requesting approval of the payment of the sum of \$1,000 annually to the member of the Federal Advisory Council for the Eighth Federal Reserve District.

Voted that the Governor be authorized to reply, approving the payment of such compensation, upon the understanding that it shall be in lieu of all other fees and allowances for attending meetings of the Council.

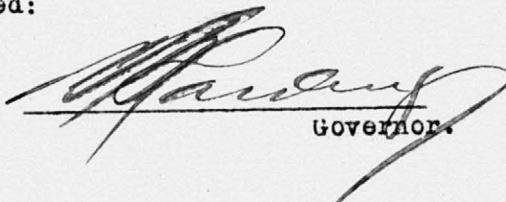
Letter dated April 19th from the Federal Reserve Agent at St. Louis, requesting approval of the expenditures of \$150,000 in the acquisition of banking quarters for the Louisville Branch of the Federal Reserve Bank of St. Louis.

Referred to the Executive Committee for report and recommendation.

On motion duly seconded, the Secretary was authorized to have bound in convenient form, copies of the Federal Reserve Act for the use of members and officers of the Board.

At 1 P.M., the meeting adjourned.

Approved:



Governor.



Assistant Secretary.