

At a meeting of the Federal Reserve Board held in the office of the Board on Friday, April 25, 1919, at 11:15 A.M.,

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

The minutes of the meeting of the Board held on April 23d were read and on motion approved as amended.

The minutes of the meeting of the Executive Committee held on April 24th were read and on motion approved as amended.

The minutes of the meetings of the Gold Export Committee held on April 24th and 25th were presented and approved, and the action therein set forth ratified.

Morning business was presented and disposed of as follows:

Telegram dated April 24th from Deputy Governor Bullen, Federal Reserve Bank of Boston, inquiring whether an acceptance drawn as an inherent bona fide part of an exportation of merchandise requires revenue stamps under the new law. The Governor read reply by him under date of April 25th, based on advice from the Bureau of Internal Revenue, stating that:

"Because of constitutional restriction against taxes on exports, drafts which are drawn against shipments from the territorial United States, including the District of Columbia, Hawaii and Alaska, to foreign countries are not subject to stamp tax even

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though accepted or delivered or both accepted and delivered within the United States. Shipments from the territorial United States to the Canal Zone, Virgin Islands, Porto Rico and the Philippines are not considered shipments to foreign countries, but drafts against shipments to Porto Rico, the Virgin Islands and the Philippines are exempt from stamp tax by express legislation."

Voted that the Governor be authorized to communicate this information to all Federal Reserve banks.

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>
St. Louis	April 23d	\$500,000
Kansas City	April 23d	500,000
Boston	April 24th	500,000
Atlanta	April 24th	500,000
Chicago	April 24th	1,000,000

Noted.

Reports of discount rates from the several Federal Reserve banks; no changes recommended.

Noted.

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

April 24th, for Federal Reserve Bank of

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

April 24th, for Federal Reserve Bank of Richmond by Federal Reserve Banks of Cleveland and Chicago each \$5,000,000 member bank promissory notes secured by Government obligations, maturing 11 to 15 days; rate 4 $\frac{1}{4}$ %.

April 24th, for Federal Reserve Bank of Dallas by Federal Reserve Bank of Chicago, \$2,500,000 member bank promissory notes secured by Government obligations, maturing 15 days; rate 4 $\frac{1}{4}$ %.

Noted.

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

Letter dated April 21st from the Federal Reserve Agent at St. Louis, in re appointment of a successor to the late Colonel Charles E. Hoge as Director of the Louisville Branch of the Federal Reserve Bank of St. Louis.

Pursuant to the action of the Executive Committee at its meeting on April 24th, it was voted to approve the appointment of Mr. Embry L. Swearingen, President of the Kentucky Title Savings Bank and Trust Company, and also of the First National Bank, Louisville, Kentucky, as Director of the Louisville Branch of the Federal Reserve Bank of St. Louis.

REPORTS OF COMMITTEE NO. 1:

Dated April 25th, 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

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reports attached to each application.
Approved.

Dated April 23d, recommending approval of the application of J. Gregory Smith for permission to serve at the same time as director of the Sherman National Bank, New York City, and of the Welden National Bank, St. Albans, Vermont.
Approved.

Dated April 22d, recommending the appointment of Mrs. Adelaide M. Studwell as Stenographer and assistant in the Division of Analysis and Research, effective May 1, 1919, for period of 30 days, at the rate of \$1,440 per annum.
Approved.

(At this point Mr. W. F. Ramsey, Federal Reserve Agent at Dallas, joined the meeting).

Mr. Ramsey referred to his written report to the Board with respect to conditions at the El Paso Branch of the Federal Reserve Bank of Dallas, and asked authority to proceed with negotiations for either the lease of adequate quarters for the branch or the purchase of a site upon which to erect same.

On motion duly seconded, it was voted that Mr. Ramsey be authorized to proceed with negotiations for either the lease of adequate quarters for the El Paso Branch of the Federal Reserve Bank of Dallas, or the purchase of a site upon which to erect same, and to submit to the Board for its approval his recommendation resulting from such negotiations.

Mr. Ramsey stated that it was very desirable, in

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view of banking conditions in his district, that the Board revoke its previous ruling that the joining of the Federal Reserve System by certain banks be made a condition precedent to the Board's granting authority for the establishment at Houston of a branch of the Federal Reserve Bank of Dallas.

On motion duly seconded, the Federal Reserve Bank of Dallas was authorized to proceed with the organization of a branch of the Federal Reserve Bank of Dallas at Houston, Texas, upon the understanding that this vote shall be subject to reconsideration at the next meeting of the Board, and that meanwhile no definite action will be taken or announcement made of the action of the Board.

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

Mr. Williams stated that the Charleston Trust and Savings Bank, Charleston, Illinois, desired to convert under the name of the National Trust Bank of Charleston, and asked if there was objection on the part of the Board to the use by the converted bank of the word "trust".

No objection.

At 1 P.M., the meeting adjourned.


Assistant Secretary.

Approved:


Governor.