

At a meeting of the Federal Reserve Board held in the office of the Board on Wednesday, April 30, 1919, at 11-20 A.M.,

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

The Governor reported that, pursuant to authority vested in him by the Board at its meeting on April 28th, he had notified the Chairman of the Federal Reserve Bank of Atlanta that the Board approved increase from \$125 to \$150 per month in the salary of Miss Mary L. Farmer.

The minutes of the meeting of the Board held on April 28th were read and on motion approved as amended.

The minutes of the meetings of the Gold Export Committee held on April 29th and 30th were presented and approved, and the action therein set forth ratified.

Morning business was presented and disposed of as follows:

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>
Dallas,	Apr. 25, 1919	\$500,000
Philadelphia,	Apr. 29, 1919	1,000,000
Approved.		

-2-

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

April 28th, for the Federal Reserve Bank of Dallas by the Federal Reserve Bank of Chicago, \$5,000,000 member bank promissory notes secured by Government obligations maturing within 15 days; rate 4%, on paper secured by Liberty bonds or Victory notes.

April 29th, 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%, on paper secured by certificates of indebtedness and  $4\frac{1}{4}\%$  on paper secured by Liberty bonds or Victory notes.

April 29th, for the Federal Reserve Bank of Philadelphia by the Federal Reserve Bank of Chicago, \$5,000,000., and by the Federal Reserve Bank of Cleveland \$10,000,000 member bank promissory notes secured by Government obligations maturing within 15 days; rate 4% on paper secured by certificates of indebtedness and  $4\frac{1}{4}\%$  on paper secured by Liberty bonds or Victory notes.

May 1st, 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 11 to 15 days; rate 4%, on paper secured by certificates of indebtedness and  $4\frac{1}{4}\%$  on paper secured by Liberty bonds or Victory notes.

Noted.

Letter dated April 23d from the Chairman of the Federal Reserve Bank of Chicago, in re items 20 and 25 on Federal Reserve Board form No. 105 (Report of condition of State bank members).

-3-

On motion duly seconded it was voted that items 20 and 25 be amended to read as follows:

(20) "Approximate interest earned but not collected on notes and bills receivable not past due";

(25) "Approximate interest and discount collected or credited in advance, but not earned";

and that the footnote with reference to such items, now appearing on form No. 105, be eliminated.

Letter dated April 29th from the Department of State, advising that the Peruvian Government has approved the interpretation of the agreement for the stabilization of exchange between the United States and Peru, as set forth in the Board's letter of April 10th.

Noted.

Letter dated April 15th from the United States National Bank, Portland, Oregon, requesting contribution of an article for its publication.

Referred to the Governor for reply.

Letter dated April 28th from the Director of the Division of Foreign Exchange, requesting approval of the following regulation:

"Until otherwise instructed, the requirement issued by the Division of Foreign Exchange on June 11, 1918, prohibiting 'dealers' as defined under the Executive Order of the President of January 26, 1918, from acting upon confirmations of cablegrams received by them where the original cablegram in part or in whole has never been delivered, and also requiring that all confirmations of cablegrams be delivered to certain Federal Reserve Banks, dependent upon their destination, is hereby revoked, with the excep-

-4-

tion of confirmations referring to any cablegrams which might cover transactions either directly or indirectly with territory not formally opened to trade and transfers of funds."

Approved.

Letter dated April 21st from the San Francisco office of the Bank of Italy, and memorandum by General Counsel dated April 29th, in re question of whether or not a National bank may accept a draft drawn upon it covering shipment of fruit from California to various parts of the United States if the draft is not secured by shipping documents at the time of acceptance.

Voted to approve General Counsel's memorandum.

Memorandum by General Counsel dated April 29th, in re propriety of insertion in a bill of lading of provision allowing inspection of goods covered by the bill, prior to acceptance by consignee of draft to which bill of lading is attached.

Referred to the Chairman of the Law Committee for report.

Letter dated April 19th from the Federal Reserve Agent at St. Louis, asking if the Board would approve the expenditure of the sum of \$150,000 in the acquisition of suitable quarters for the Louisville Branch of the Federal Reserve Bank of St. Louis.

-5-

Referred to the Governor for report and recommendation.

(Mr. Williams joined the meeting during the discussion of the foregoing question).

Letter dated April 25th from the Congressional Joint Commission on Reclassification of Salaries.

Referred to General Counsel for report.

Letter dated April 12th addressed to Consulting Counsel Elliott by Counsel of the State Bank Association of the State of New York, and memorandum by General Counsel dated April 28th, in re use of the word "Savings" as part of the corporate name of a banking institution other than a mutual savings bank.

Referred to Consulting Counsel for reply.

Application of the Fidelity Trust Company, Kansas City, Missouri, for authority to exercise trustee powers when converted into "Fidelity National Bank and Trust Company of Kansas City".

On motion duly seconded it was voted that the following minute be entered:

"WHEREAS, the Board of Directors of the Fidelity Trust Company of Kansas City, Missouri, at a meeting duly called and held on the 24th day of April, 1919, adopted a resolution authorizing and empowering the president or vice-president and secretary of the trust Company to apply to the Federal Reserve Board for a permit to be issued to it coincident with its conversion into a

-6-

national bank, to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics and in any other fiduciary capacity in which state banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State of Missouri, as provided in Section 11 (k) of the Federal Reserve Act, as amended by the act approved September 26, 1918; and

WHEREAS, the vice-president and secretary of such Trust Company have, under date of April 24th, 1919, made application to the Federal Reserve Board in accordance with the authority and instructions of the Board of Directors of such Trust Company; and

WHEREAS, such Trust Company has by vote of its shareholders owning not less than fifty-one percentum of its capital stock, applied to the Comptroller of the Currency for approval to be converted into a national banking association, under the name of the Fidelity National Bank and Trust Company of Kansas City;

NOW, THEREFORE, BE IT RESOLVED that a permit be issued to the Fidelity National Bank and Trust Company of Kansas City, Missouri, granting the right to exercise the powers applied for in the application herein referred to, such permit to be issued only if and when such Fidelity National Bank and Trust Company of Kansas City, now doing business as a State institution under the name of the Fidelity Trust Company of Kansas City, is authorized by certificate of the Comptroller of the Currency to do business as a national banking association under the name of the Fidelity National Bank and Trust Company of Kansas City."

Letter dated April 26th from the National Shawmut Bank, Boston, requesting authority to invest not to exceed \$1,800,000 in the stock of the National Shawmut Corporation, and memorandum by General Counsel dated April 30th.

Voted that the Board approve the purchase of

-7-

stock, pursuant to the terms set forth in the application, and that the applicant be advised that, as to the name of the proposed corporation, it is notified by the Comptroller of the Currency that he is advised by Counsel that the use of the name proposed is in contravention of Section 5243 of the Revised Statutes of the United States, and that he proposes to take appropriate steps with a view to securing the enforcement of this law in all cases.

Mr. Williams requested that he be recorded as opposing the authority to make the investment because of the fact that the use by the proposed corporation of the word "National" in its corporate name is a direct violation of Section 5243 of the Revised Statutes of the United States.

voted that the Governor be directed to telegraph the applicant the result of the Board's action, as above.

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

Letter dated April 29th from Consulting Architect Trowbridge, in re advertisement for bids for the erection of new bank building for the Federal Reserve Bank of Dallas.

Referred to the Governor for reply and advice to the Federal Reserve Agent at Dallas.

Memorandum by General Counsel dated April 28th, in re eligibility for membership in the Federal Reserve System of proposed Bank of North Dakota.

Voted that the Governor be authorized to communicate contents of General Counsel's memorandum confidentially to the Governor of the Federal Reserve Bank of Minneapolis.

Letter dated April 29th from Consulting Architect

-8-

Trowbridge, in re plans for proposed bank building for the Federal Reserve Bank of Richmond.

voted that Mr. Trowbridge be authorized to visit Washington on Wednesday, May 7th, at the expense of the Board for the discussion of such plans.

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

Ordered circulated.

The Secretary submitted for approval the following regulation to be issued by the Division of Foreign Exchange:

"The War Trade Board, at the request of the Supreme Economic Council, has issued a general license through the Bureau of Enemy Trade which authorizes the transfer of funds to Germany, provided the proceeds are used for the purchase of food to be shipped to Germany; and until otherwise instructed, 'dealers' as defined under the Executive Order of the President of January 26, 1918, are permitted to make transfers of funds to Germany through the American Relief Administration in accordance with regulations issued April 22, 1919, covering the making of similar remittances to various other Central European Countries."

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated April 30th, recommending admission of State banking 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 22d, submitting application of the City Guaranty Bank, Hobart, Oklahoma, for membership in the Federal Reserve System:

-9-

Referred to the Secretary for telegraphic reply that, in the absence of an official State census subsequent to the United States Census of 1910, the Board will apply the 1910 Census figures in determining the eligibility of the bank for membership with its present capital.

Dated April 30th, recommending approval of the application of J. W. Bellis for permission to serve at the same time with the First National Bank, Guttenberg, New Jersey, the Second National Bank, Hoboken, New Jersey, and the Mercantile Trust Company, Jersey City, New Jersey.

Approved.

Dated April 29th, recommending approval of the application of H. L. Rose for permission to serve at the same time with the First National Bank, and the Kentucky Title Savings Bank and Trust Company, both of Louisville, Ky.

Approved.

Dated April 28th, recommending approval of the application of W. T. Waggoner for permission to serve at the same time with the First National Bank, Fort Worth, Texas, and the First National Bank, Decatur, Texas.

Approved.

Dated April 29th, recommending approval of the application of J. W. Berryman for permission to serve at the same time with the Kansas National Bank, Wichita, Kansas, and the Stockgrowers National Bank, Ashland, Kansas.

Approved.

Dated April 29th, recommending approval of the application of Russel Lowry for permission to serve at the same time with the American National Bank, San Francisco, and the First National Bank, Oakland, California.

Approved.

-10-

Dated April 29th, recommending approval of the application of Cornelius F. Kelly for permission to serve at the same time with the Guaranty Trust Company, New York City, and the Western Montana National Bank, Missoula, Montana.

Approved.

Dated April 29th, recommending approval of the application of E. E. Masterman for permission to serve at the same time with the Kansas National Bank, Wichita, Kansas, the First National Bank, Channing, Texas, and the First National Bank, Blythe, California.

Approved.

Dated April 29th, recommending approval of the application of Tucker Royall for permission to serve at the same time with the City National Bank, Dallas, Texas, and the Royall National Bank, Palestine, Texas.

Approved.

Dated April 29th, recommending approval of the application of J. F. Richards for permission to serve at the same time with the Leavenworth National Bank, Leavenworth, Kansas, and the First National Bank, Kansas City, Mo.

Approved.

Dated April 29th, recommending approval of the application of W. E. Caldwell for permission to serve at the same time with the First National Bank, and the Kentucky Title Savings Bank & Trust Company, both of Louisville, Ky.

Approved.

Dated April 29th, recommending approval of the application of James C. Willson for permission to serve at the same time with the First National Bank, and the Kentucky Title Savings Bank & Trust Company, both of Louisville, Ky.

Approved.

Dated April 29th, recommending approval of the application

-11-

of A. J. Siegel for permission to serve at the Third National Bank, and the Manchester Bank, both of St. Louis, Missouri.  
Approved.

Dated April 30th, recommending approval of the application of Edwin D. Glauser for permission to serve at the same time with the First National Bank, and the Delaware County Trust Company, both of Chester, Pa.  
Approved.

Dated April 29th, in re application of W. O. Jones for permission to serve at the same time with the East River National Bank, and the National Park Bank, New York City, the Irving Trust Company (Flatbush Branch), and the First National Bank, Daytona, Florida.

Voted to approve, subject to withdrawal of Mr. Jones from the Board of Directors of the First National Bank, Daytona, Florida.

Dated April 26th, recommending increases in salaries of National Bank Examiners in the Tenth Federal Reserve District, as follows:

	<u>From</u>	<u>To</u>
William H. Reed,	\$3,000	\$3,300
Thomas M. Williams,	3,900	4,200

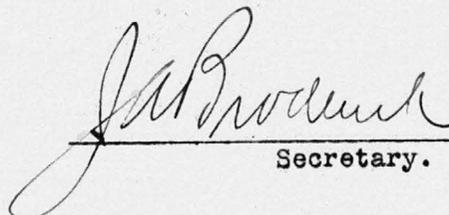
Approved.

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

At 1:20 P.M., the meeting adjourned.

Approved:

  
Governor.

  
Secretary.