

At a meeting of the Federal Reserve Board held in the office of the Board on May 2, 1919, at 11 A.M.,

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

The minutes of the meeting of the Board held on April 30th were read and on motion approved.

The minutes of the meetings of the Gold Export Committee held on May 1st and 2d were presented and approved, and the action therein set forth ratified.

The Chairman of the Gold Export Committee presented application of the National City Bank of New York for permission to export \$500,000 gold coin to the Banco de la Nacion Boliviana, La Paz, Bolivia.

Approved, upon the understanding that, should the Banco de la Nacion Boliviana desire at some future time to export the \$2,000,000 now on deposit with the Federal Reserve Bank of New York, it will be entitled to export only \$1,500,000 of this amount in gold.

Mr. Strauss stated that the War Trade Board proposed to issue a regulation freeing for export manufactured gold articles containing 65% or less of gold, and classifying manufactured articles having greater gold content than 65% of their value, as bullion, and as such, subject to the regulations of the Federal Reserve Board. He requested approval by the Board of the contemplated regulation.

-2-

Approved.

Morning business was presented and disposed of as follows:

The Governor reported the purchase on May 1st, 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>Federal Reserve Bank</u>	<u>Amount</u>
Cleveland	\$500,000
St. Louis	500,000

Approved.

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

April 30th, for the Federal Reserve Bank of Dallas by Federal Reserve Bank of Chicago, \$4,500,000 member bank promissory notes secured by Government obligations maturing within 15 days; rate 4% on paper secured by certificates of indebtedness and 4 $\frac{1}{2}$ % on paper secured by Liberty bonds or Victory notes.

May 1st, for the Federal Reserve Bank of Dallas by Federal Reserve Bank of Chicago, \$3,000,000 member bank promissory notes secured by Government obligations maturing within 15 days; rate 4% on paper secured by certificates of indebtedness and 4 $\frac{1}{2}$ % on paper secured by Liberty bonds or Victory notes.

Noted.

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

-3-

Noted.

Letter dated April 29th from the Chairman of the Federal Reserve Bank of Chicago, in re circular of L. T. Lewis advertising connection of R. H. Malone with the Western Oil Fields Corporation.

Noted.

Letter dated April 30th from the Chairman of the Federal Reserve Bank of New York, advising of the appointment by him of Mr. Shepard Morgan as Assistant Federal Reserve Agent, effective May 1, 1919, pursuant to authority heretofore granted by the Board.

Noted.

Letter from Mr. F. A. Goodhue, Vice President of the First National Bank of Boston, requesting samples of Federal Reserve notes for the Stamping Department, Internal Revenue, Great Britain.

Referred to Mr. Strauss for report.

Memorandum by General Counsel dated April 28th, in re transactions between Federal Reserve banks and the Treasury Department.

Referred to the Secretary for report.

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

-4-

On motion duly seconded Mr. J. A. Broderick was appointed representative on behalf of the Board and Mr. John De La Mater as representative on behalf of the employees of the Federal Reserve Board, to serve on the Committee on Reclassification of salaries.

The Governor stated that he had received telephone advice from the National Shawmut Bank of Boston, advising that the National Shawmut Corporation had received the form of agreement to be executed by that Corporation, making its stock eligible for investment by National banks, and had executed an agreement in accordance therewith, and placed same in the mails; also that the bank requested telegraphic authority to make the investment of \$1,800,000 in the stock of the Corporation.

On motion duly seconded the Governor was authorized to telegraph approval of the investment by the National Shawmut Bank of not to exceed \$1,800,000 in the stock of the National Shawmut Corporation, upon receipt of agreement duly executed by the National Shawmut Bank in form satisfactory to the Governor.

Letter dated April 22d from the Governor of the Federal Reserve Bank of Cleveland, in re definition of the word "staples" as applied to bankers' acceptances based on warehouse receipts covering automobiles.

Voted that the Governor inform Mr. Fancher that the Board is preparing to issue a regulation defining the word "staples" as applied to banking, but that the Board does not contemplate including in this definition, automobiles.

-5-

On motion duly seconded, Mr. Strauss and Mr. Miller were appointed a committee to submit for the approval of the Board a regulation defining the word "staples" from the banking standpoint.

REPORTS OF COMMITTEE NO. 1:

Dated May 2d, 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 May 1st (3 reports) recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 30th, recommending approval of the application of Julius G. Day for permission to serve at the same time with the New Haven Bank, N.B.A., New Haven, Conn., and the Birmingham National Bank, Derby, Conn.

Approved.

Other business was presented and disposed of as follows:

Telegram dated May 1st from the Federal Reserve Bank of Chicago, requesting that it receive daily reserve percentages of all Federal Reserve banks, calculated eliminating inter-district rediscounts.

Voted that the Secretary be authorized to transmit to each Federal Reserve bank, daily, a statement of the reserve percentages of all Federal Reserve banks, showing percentages on basis of elimination of inter-district rediscounts.

The Governor reported the reserve positions of the

-6-

several Federal Reserve banks.

Letter dated April 30th from Deputy Governor Adelson, Federal Reserve Bank of Atlanta, in re notes secured by chattel mortgages or bills of sale.

Referred to the Governor for reply.

Letter dated April 24th from the Chairman of the Federal Reserve Bank of San Francisco, in re Scandinavian American Bank, Seattle, Washington.

Referred to the Governor for reply.

Letter dated April 29th from the Federal Reserve Agent at Dallas, in re suggested mid-year bonuses to employees of the Federal Reserve Bank of Dallas.

Referred to the Secretary for report.

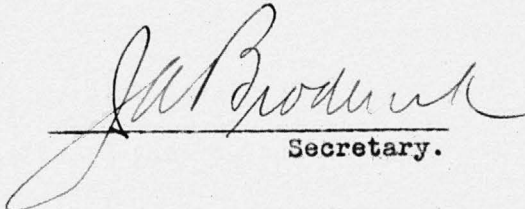
Letter dated April 30th from the Chairman of the Federal Reserve Bank of New York, submitting resolution of the Board of Directors of that Bank, fixing minimum wage paid to employees of that Bank at \$60 per month (with the exception of pages and non-clerical employees), subject to the approval of the Federal Reserve Board.

Approved.

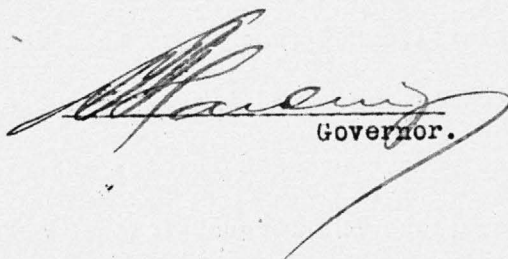
Mr. Miller was requested to prepare and submit to the Board, recommendation as to steps to be taken to procure data with respect to business and financial conditions in

foreign countries.

At 12:45 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.