

At a meeting of the Federal Reserve Board held in the office of the Board on Monday, May 5, 1919, at 11 A.M.,

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

The Governor informed the Board that he had been advised that an injunction had been obtained by the First National Bank of Canton, Pennsylvania, against the Comptroller of the Currency, and that the proceeding did not in any way involve the Federal Reserve Board, and therefore he had instructed General Counsel and officers of the Board to govern themselves accordingly.

The action of the Governor was ratified.

The minutes of the meeting of the Board held on May 2d were read and on motion approved.

The minutes of the meetings of the Gold Export Committee held on May 3d and 5th 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 on May 2d, of special 2% certificate of indebtedness of the United States for \$1,000,000 for the Federal Reserve Bank of Chicago, for deposit with the Comptroller of the Currency as collateral for

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Federal Reserve bank notes.

Approved.

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

May 2d, for Federal Reserve Bank of Philadelphia by 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 2d, for Federal Reserve Bank of Dallas by Federal Reserve Bank of Chicago, \$5,000,000 member bank promissory notes 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 3d, for Federal Reserve Bank of Dallas by Federal Reserve Bank of Chicago, \$6,000,000 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.

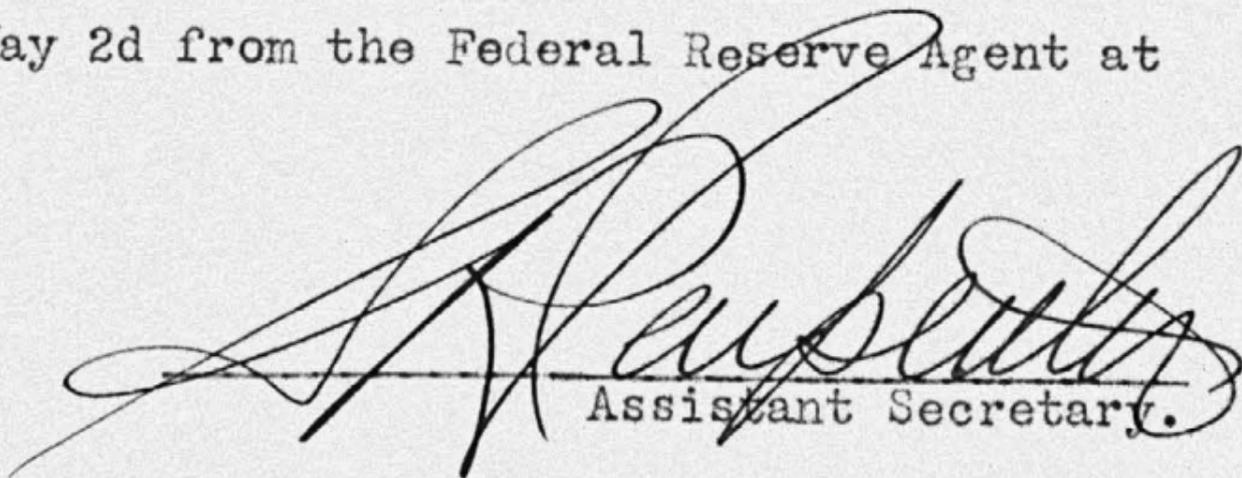
May 5th, for Federal Reserve Bank of Richmond by Federal Reserve Banks of Chicago and Cleveland, \$5,000,000 each (\$10,000,000) member bank promissory notes secured by Government obligations maturing 11 to 15 days; rate 4% on paper secured by certificates of indebtedness and $4\frac{1}{4}\%$ on paper secured by Liberty bonds or Victory notes.

Noted.

Letter dated April 2d from the National Bank of Commerce, Seattle, Washington, requesting permission to purchase 1,000 shares of the capital stock of the Asia Banking Corpor-

The files indicate that the third entry on this page should
read: "Telegram dated May 2d from the Federal Reserve Agent at
St. Louis,"

April 14, 1936.



Assistant Secretary.

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ation at the rate of \$125 per share, together with memorandum by the Secretary dated May 3d, recommending approval.

Approved.

Letter dated May 2d from the National Shawmut Bank of Boston, advising of the change in title of the National Shawmut Corporation to "The Shawmut Corporation".

Noted.

The Governor submitted for approval draft of letter dated May 5th to the President of the National Shawmut Bank of Boston, approving investment by that Bank of \$1,800,000 in the common stock of the Shawmut Corporation.

Approved.

Telegram dated May 2d from the Federal Reserve Agent at Dallas, in re vaults in quarters proposed to be leased for the Louisville branch of the Federal Reserve Bank of St. Louis.

Voted to approve, upon receipt of definite recommendation of the Board of Directors of the Federal Reserve Bank of St. Louis, the purchase for \$150,000 of the building formerly occupied by the National Bank of Kentucky, Louisville, for the use of the Louisville Branch of the Federal Reserve Bank of St. Louis.

Letter dated May 1st from Samuel Crowther, Editor of SYSTEM Magazine, requesting that the Governor contribute a prefatory note to a volume on finance to be published by A.W. Shaw and Company.

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Referred to the Governor for negative reply.

Letter dated April 29th from the Governor of the Federal Reserve Bank of Dallas, in re items received by Federal Reserve banks from Collectors of Internal Revenue.

Referred to the Secretary for report.

Letter dated May 1st from Mr. Major B. Foster in re sales and redemptions of War Savings Stamps in the Second Federal Reserve District.

Noted.

Letter dated May 2d from Mr. C. A. Luhnnow, Publisher of TRUST COMPANIES Magazine, requesting that a letter of commendation for that magazine be written by the Governor.

Referred to the Governor for negative reply.

Memorandum by Mr. Willis dated April 17th, recommending that no action be taken at present looking to the establishment of a new system of credit barometrics, but that the Board investigate credit departments in the several Federal Reserve banks with a view to improving condition of work.

Approved.

Memorandum by Mr. Willis dated May 2d, transmitting letter from Mr. E. D. Hulbert of Chicago, commenting on Mr. Wall's article on Credit Barometrics published in the FEDERAL RESERVE BULLETIN for March.

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Noted.

Letter dated May 1st from the Chairman of the Federal Reserve Bank of New York, in re effect of rules of the New York Clearing House regarding collection of checks upon development of par collection system.

Voted that the Governor address an inquiry to each Federal Reserve bank, to ascertain the rules of the clearing houses in their respective districts.

Memorandum by the Secretary dated May 2d, in re lease of space at 15 Wall Street for the Division of Foreign Exchange.

Referred to the Governor with power.

Letter dated May 2d from the Chairman of the Federal Reserve Bank of Philadelphia, announcing the appointment of Mr. R. M. Miller, Jr., and Mr. Frank W. LaBold as Assistant Cashiers of that bank at \$3,500 per annum each, subject to the approval of the Federal Reserve Board.

Approved.

Letter dated May 1st from Deputy Comptroller of the Currency Kane, advising of changes in the National bank examining force during April.

Noted.

Letter dated April 30th from the Comptroller of the Currency, recommending the appointment of 30 additional clerks-counters in the Division of Issue and Redemption, at the rate

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of \$1,020 per annum, and one additional clerk at the rate of \$1,200 per annum.

Referred to the Governor with power.

Letter dated April 29th from the Chairman of the Federal Reserve Bank of Dallas, and memorandum by the Secretary dated May 5th, in re extra compensation to employees of the Federal Reserve Bank of Dallas for the year 1919.

Voted to approve the Secretary's memorandum.

Letter dated May 2d from the Chairman of the Federal Reserve Bank of Atlanta, recommending approval of increase in the salary of Mr. C. R. Camp from \$150 to \$175 per month.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated May 5th, 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 3d (3 reports) recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated May 3d, recommending approval of the application of John R. Morron for permission to serve at the same time with the First National Bank, New York City, and the National Bank of the Republic, Chicago, Ill.

Approved.

Dated May 3d, recommending approval of the application of F. Edson White for permission to serve at

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the same time with the Live Stock Exchange National Bank and the National Bank of the Republic, both of Chicago, Ill.

Approved.

Dated May 1st, advising of appointment of Miss Pearl Crawley as Clerk Counter in the Division of Issue and Redemption at a salary of \$1,020 per annum.

Noted.

Dated May 5th, recommending action on applications for fiduciary powers as set forth in the auxiliary minute book as of this date.

Approved.

Other business was presented and disposed of as follows:

Letter dated May 2d from the Federal Reserve Agent at Kansas City, in re legislation affecting State banks desiring to become members of the Federal Reserve System.

Noted.

Letter dated May 1st from the Chairman of the Federal Reserve Bank of Dallas, requesting approval of lease of quarters for the Houston Branch of that Bank, terminable at any time after July 1, 1920, upon six months' notice, at the rate of \$250 per month for the first year, effective June 1, 1919; \$300 per month for the next year; and \$350 per month thereafter.

Approved.

Letter dated April 28th from the Chairman of the Federal Reserve Bank of Kansas City, in re theft of \$500

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Liberty Loan bond, and charge to special account of the Omaha branch.

Referred to the Secretary for investigation and report as to method of accounting for notary fees, and to General Counsel for usual advice to the Department of Justice.

Voted that the Secretary ascertain from all Federal Reserve banks, method of paying notary fees on protested items and accounting therefor at Federal Reserve banks and their branches.

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

Memorandum by General Counsel dated April 29th, in re propriety of placing in a bill of lading, provision allowing inspection of goods covered by bill before acceptance by consignee of draft to which bill of lading is attached. Mr. Hamlin stated that he concurred in the opinion of General Counsel.

Approved.

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

Letter dated April 25th from the Chairman of the Federal Reserve Bank of Kansas City, requesting approval of the appointment of Mr. M. W. E. Park, at present Government Teller, as Assistant Cashier of that bank, without increase in salary.

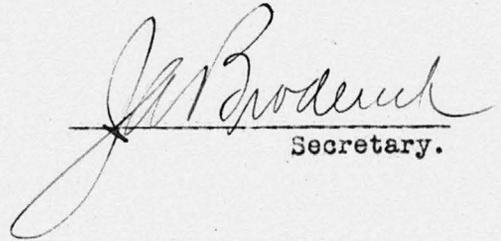
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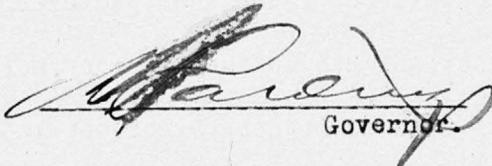
Letter dated May 3d from the Governor of the Federal Reserve Bank of Chicago, enclosing copy of report of committee appointed at Conference of Governors to consider ways and means for improving leased wire service, and to provide a more suitable division of the expense thereof.

Referred to the Secretary for analysis and report.

At 1 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.