At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Board on Tuesday, May 20, 1919, at 3 P.M.,

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

Business was presented and disposed of as follows:

Memorandum by the Secretary dated May 17th, in re mail schedules between Buffalo and Birmingham and Jacksonville.

Ordered circulated.

Memorandum by the Secretary dated May 19th, in re transactions between Federal Reserve banks and the Treasury Department.

Referred to Mr. Hamlin.

Memorandum by General Counsel dated May 16th, in re ruling of Commissioner of Internal Revenue relating to stamp tax upon notes secured by certificates of indebtedness of the Director General of Railroads.

Voted that the ruling be communicated to all Federal Reserve banks and published in the Federal Reserve Bulletin.

Memorandum by the Director of the Division of Analysis and Research, dated May 8th, in re proposed research and analysis work to be conducted by Frank M. Huston at the Federal Reserve Bank of Chicago.

Referred to Mr. Miller for report.
Memorandum by Mr. Strauss dated May 15th, in re losses on subscriptions to Liberty Loan bonds through the San Francisco Liberty Loan Committee.

Referred to Mr. Hamlin for report.

Memorandum by the Secretary dated May 16th, in re interpretation of that part of the agreement with the American Foreign Banking Corporation relating to "Security held against acceptances for account of any one drawer in an amount aggregating at any one time in excess of 10% of subscribed capital and surplus" of the corporation.

Ordered circulated.

Memorandum by the Secretary dated May 19th, in re method of collecting trade acceptances.

Referred to Mr. Hamlin for report.

Report dated May 20th, 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.

Report dated May 20th, recommending action on applications for fiduciary powers as set forth in the auxiliary minute book as of this date.

Approved.

Three reports, May 20th, recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.
Memorandum by the Secretary dated May 20th, submitting for approval, request of the French-American Banking Corporation for amendment of its agreement with the Board to provide that when acceptances outstanding exceed the amount of subscribed capital and surplus, 50% of such excess acceptances shall be fully secured, instead of providing as at present that all such acceptances in excess of the subscribed capital and surplus shall be fully secured.

Approved.

Memorandum by the Secretary dated May 19th, in re collection of notary fees on items protested, with particular reference to the practice prevailing at the Federal Reserve Bank of Kansas City and its branches, in which the Secretary requested authority to instruct the Federal Reserve Bank of Kansas City and its branches that the Board does not look with favor upon the present practice of handling protest fees, and that if such fees are received directly or indirectly by the bank they must be entered upon the books as "Sundry Profits" and in such a manner as to permit of proper audit.

Approved.

Memorandum by the Secretary dated May 20th, recommending that a conference of transit managers and auditors of Federal Reserve banks be held during the month of June.
Voted that the Secretary be authorized to call such conference on a date in June satisfactory to him.

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

Telegram dated May 20th from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the appointment of Mr. William A. Day as Deputy Governor of that Bank in charge of branches, at a salary of $10,000 per annum.

Approved.

Letter dated May 19th from the Comptroller of the Currency, requesting approval of salary of $2,400 per annum for Mr. Mervale D. Smiley as National Bank Examiner in the Ninth Federal Reserve District.

Approved.

At 4 P.M., the meeting adjourned.

Approved:

[Signature]

Secretary.

[Signature]

Governor.