

At a special meeting of the Federal Reserve Board held in the office of the Board on Thursday, May 22, 1919, at 11 A.M.,

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

Business was presented and disposed of as follows:

Letter dated May 21st from the Chairman of the Federal Reserve Bank of Richmond, requesting authority to expend \$80,000 in the acquisition of the so-called Virginia Hotel property at Richmond for use as site for new banking quarters.

Approved.

Letter dated May 20th from Mr. Robert D. Kent, President of the Merchants Bank of Passaic, New Jersey, making inquiry as to the action by the Board upon his recommendation of a plan for the treatment of domestic exchange.

Referred to the Governor for reply.

Letter dated May 20th from the Chairman of the Federal Reserve Bank of Richmond, in regard to the relations of that Bank with the Palmetto National Bank, Columbia, South Carolina.

Referred to the Governor for reply.

Letter dated May 20th from the Department of Justice, in re action taken by it upon theft of Liberty Loan bond from

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the Omaha Branch of the Federal Reserve Bank of Kansas City,
by Andrew Larson.

Noted.

Reports of discount rates from all Federal Reserve
banks - no changes recommended.

Noted.

The Governor reported the purchase of special 2% cer-
tificates of indebtedness of the United States for deposit
with the Comptroller of the Currency as collateral for Fed-
eral Reserve bank notes, as follows:

<u>For Federal Reserve Bank of:</u>	<u>Date</u>	<u>Amount</u>
Cleveland	May 20, 1919	\$500,000
Richmond	May 21, 1919	200,000
Philadelphia	May 21, 1919	1,000,000

Approved.

The Governor reported rediscount transactions, pur-
suant to authority heretofore vested in him: member bank
promissory notes secured by Government obligations; rate 4%
on paper secured by certificates of indebtedness and 4½% on
paper secured by Liberty bonds or Victory notes, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 21st	Philadelphia	Cleveland	\$5,000,000	1-15 days
May 21st	Dallas	Chicago	3,000,000	1-15 "
May 22d	Richmond	Minneapolis	10,000,000	11-15 "

Noted.

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Report dated May 21st, recommending dismissal of James F. Browne, Messenger on the Board's staff, and the appointment in his place of Seaton T. Dyson at a salary of \$960 per annum, effective June 2, 1919.

Approved.

Letter dated May 20th from Consulting Architect Trowbridge, requesting authority to obtain definite bids for the equipment of the Federal Reserve Bank of Dallas, with right to reject any or all bids.

Approved.

Letter dated May 20th from Consulting Architect Trowbridge, recommending that the Federal Reserve Bank of Philadelphia be authorized to procure working drawings for a vault in the rear of its bank building with a capacity of 2,200 square feet, to be known as "Vault A".

Approved.

Letter dated May 17th from Mr. Charles J. Brand, Chief of the Bureau of Markets, Department of Agriculture, making inquiry as to whether or not the Federal Reserve Board would favor the granting of preferential rates on loans secured by receipts issued by Federal warehousemen. The Governor submitted for approval draft of reply prepared by him under date of May 22d.

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Approved as amended.

Memorandum by General Counsel dated May 14th, and memorandum by Mr. Strauss dated May 15th, in re losses on subscriptions to Liberty Loan bonds through the San Francisco Liberty Loan Committee. Mr. Hamlin reported that it was his view that the Treasury, and not the Federal Reserve bank, being the principal, if the Secretary of the Treasury directed the bank to make good the losses as Fiscal Agent the bank could do so; otherwise not.

Referred to the Governor for consultation with the Treasury Department and report.

The Governor submitted for approval draft of telegram and letter under date of May 22d, to be sent by him to the Chairmen of all Federal Reserve banks except Atlanta, Richmond and Dallas, urging an aggressive campaign for State bank members.

Approved.

Letter dated May 16th from Mr. W. D. Smith, Secretary-Treasurer of the Marion-Polk County National Farm Loan Association, Salem, Oregon, recommending the merging of Federal Land Banks into the Federal Reserve System.

Noted.

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

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that he concurred in the recommendation made by the Secretary that the Board defer its request under date of April 16th to Federal Reserve banks that they effect arrangements for the collection of trade acceptances payable at member banks, on the same terms as bankers' acceptances. The Governor submitted for approval, draft of letter to the Chairmen of all Federal Reserve banks under date of May 22d to defer such request.

Approved.

Report dated May 21st, recommending approval of application of Thomas W. Bryant for permission to serve at the same time with the First National Bank of New Haven, Conn., and with the Torrington National Bank, Torrington, Conn.

Approved.

Report dated May 21st, recommending approval of application of D. W. Twohy for permission to serve at the same time with the Old National Bank and the Union Trust Company, both of Spokane, Washington, and with the Yakima National Bank, Yakima, Washington.

Approved.

Report dated May 22d, 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 22d, recommending action on applications for fiduciary powers as set forth in the auxiliary minute book as of this date.

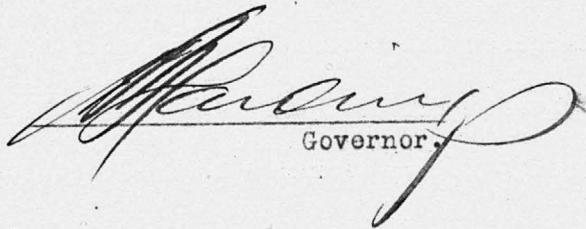
Approved.

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At 12 noon the meeting adjourned.


Assistant Secretary.

Approved:


Governor.