

At a meeting of the Federal Reserve Board held in the office of the Board on Friday, February 13, 1920, at 11 A.M.,

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

Minutes of the meeting of the Board held February 12th were read, and on motion approved.

Business was presented and disposed of as follows:

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business February 11th, and the status of rediscounts between Federal Reserve banks as of the same date.

Application of the Merchants National Bank, Los Angeles, California, for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13 of the Federal Reserve Act.

Voted to defer action, pending receipt of further examination report by the Comptroller of the Currency.

REPORTS OF COMMITTEE NO. 1:

Dated Feb. 13th, 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.

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Other business was presented and disposed of as follows:

Letter dated February 9th from Mr. J. C. Chidsey, submitting his resignation as a director on behalf of the Federal Reserve Board of the Houston Branch of the Federal Reserve Bank of Dallas.

Accepted.

Telegram dated February 12th from the Chairman, Federal Reserve Bank of Boston, recommending changes in discount rates.

The recommendation was considered but no action taken.

(At this point Mr. E. T. Meredith, the Secretary of Agriculture, joined the meeting and submitted his resignation as a Class "C" director of the Federal Reserve Bank of Chicago, and made certain suggestions concerning persons eligible for appointment as his successor).

On motion duly seconded, Mr. Meredith's resignation was accepted.


(Mr. Meredith thereupon withdrew from the meeting)

The Law Committee reported that it deemed it inadvisable for the Board to make any further public announcement in regard to the Board's circular No. 21, series of 1915, touching the eligibility of candidates for directorships;


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that the principle heretofore adopted by the Board, when called upon to rule in particular cases, has been the necessity of preserving the non-political character of the Federal Reserve System, and that the Law Committee recommended, therefore, that as cases from time to time should be presented to the Board, the above principle be applied in each individual case.

At 12-30 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.