

At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, February 17, 1920, at 11 A.M.,

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

Minutes of meeting of the Board held February 13th were read, and on motion approved.

Business was presented and disposed of as follows:

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by certificates of indebtedness, rate 4-3/4%, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
		(Dallas	\$7,000,000	
Feb. 13th	Philadelphia...) Kansas City	5,000,000	11-15 days
		(Minneapolis	5,000,000	

Noted.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business February 14th, and the status of rediscounts between Federal Reserve banks as of the same date.

(At this point Mr. Williams joined the meeting)

Memorandum by General Counsel dated February 14th,

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submitting response to inquiry of the Governor, Federal Reserve Bank of Dallas, as to whether or not a Federal Reserve bank may properly receive for collection, maturing items forwarded direct to it from a member bank in another district, if forwarded for account of the Federal Reserve bank of such other district.

Voted to approve memorandum of General Counsel with the added stipulation that such service should not be performed unless the receiving Federal Reserve bank has knowledge of, and approves of such transactions, in order that the receiving bank may not be presented with a volume of business for which it is unprepared.

Letter dated February 14th from the Chairman, Federal Reserve Bank of St. Louis, submitting Annual Report of that Bank for the year 1919.

Ordered circulated.

Memorandum dated February 16th by Mr. Emerson, suggesting further action on the part of Federal Reserve banks to increase the number of additions to the list of banks remitting at par.

Referred to the Governor with power.

Memorandum dated February 16th from Mr. Emerson, suggesting method of payment of shipping charges on standard silver dollars. x

Referred to the Vice-Governor with power.

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Memorandum by General Counsel dated February 14th, in re conditions of membership of the City Trust Company of Newark, New Jersey.

Referred to Vice-Governor for report.

Memorandum dated February 16th by Mr. Hoxton, in re suggested increase of discount rates by the Federal Reserve Bank of Boston.

Ordered tabled.

Memorandum dated February 16th by Mr. Hoxton, in re pension plan for employees of Federal Reserve banks.

Ordered circulated and docketed for the meeting of the Board on Friday, February 20th.

Mr. Williams submitted a communication addressed to him under date of February 4th by the Chief National Bank Examiner of the Twelfth Federal Reserve District, reporting on the failure of the First National Bank of Newman, Cal.

Ordered circulated.

Mr. Williams stated that he was in receipt of a letter from the Chief National Bank Examiner of New York under date of February 2d, advising that Assistant Federal Reserve Agent White at the Federal Reserve Bank of Chicago had asked if there would be objection to his visiting New York for a month or two and obtaining experience in the

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foreign exchange departments of national banks in that City by accompanying the national bank examining force in examination of such banks. Mr. Williams desired to know if there was objection on the part of the Board to the perfection of such an arrangement.

On motion duly seconded, it was voted to refer the question with power to the Governor and Mr. Williams.

Report dated February 16th by Mr. Williams and Mr. Miller, the committee appointed to draft resolutions relative to retirement from the Board of Hon. Carter Glass.

Ordered circulated and docketed for the meeting of the Board on Wednesday, February 18th.

Application of the Farmers Banking and Trust Company, Tarboro, North Carolina, for membership in the Federal Reserve System.

Referred to Mr. Strauss for consultation with the Governor and report.

Letter dated February 14th from the Chairman, Federal Reserve Bank of New York, requesting approval of the appointment of Edward H. Hart as Counsel for that Bank at a salary of \$12,000 per annum.

Referred to Mr. Hamlin with power.

Letter dated February 14th from the Chairman, Federal

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Reserve Bank of Atlanta, in reply to Board's letter of February 7th (X-1825), in re purchase of bills from accepting banks.

Tabled for meeting of the Board to be held Wednesday, February 18th.

Opinion by General Counsel dated January 31st in re right of the Board to approve a preferential rate in favor of paper secured by receipts issued by bonded warehouses.

Approved.

Letter dated February 13th from Deputy Governor Spencer of the Federal Reserve Bank of Boston, enclosing report of the architect and engineers of that Bank on the plans for vault construction.

Ordered circulated and docketed for the meeting of the Board on Wednesday, February 18th.

Letter dated February 13th from Deputy Governor McKay of the Federal Reserve Bank of Chicago, advising that the leased wire committee recommends that the Federal Reserve Board act as custodian of copies of the code books to be formulated by the sub-committee on codes. The Governor submitted for approval reply by him dated February 16th.

Approved.

Letter dated February 11th from the American Foreign Banking Corporation, requesting a modification of the ruling

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of the Board to permit of a reserve of 3% against acceptances due after thirty days, instead of 15% as at present.

Tabled for meeting of Board to be held
Wednesday, February 18th.

Memorandum by General Counsel dated February 14th
in re conditions of membership imposed upon the admission of
the Texas Bank & Trust Company of Galveston, Texas.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated Feb. 17th, 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 Feb. 16th, recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated Feb. 16th, recommending approval of application of Mr. L. B. Jackson to serve at the same time as President, American National Bank, Sapulpa, Oklahoma, Vice President, Union National Bank, Tulsa, Oklahoma, and as a director of the First National Bank, Oklahoma City, Oklahoma.

Approved.

Dated Feb. 16th, recommending approval of application of Mr. James E. Whitin to serve at the same time as a director of the Merchants National Bank of Worcester, Mass., and the Whitinsville National Bank, Whitinsville, Mass.

Approved.

Dated Feb. 16th, recommending approval of application of Mr. Nathaniel F. Ayer to serve at the same

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time as a director of the National Shawmut Bank of Boston, and of the Boston Safe Deposit & Trust Company, of Boston, Mass.

Approved.

Dated Feb. 12th, recommending reconsideration and approval of application of F. W. Bradley for permission to serve at the same time as a director of the Mercantile National Bank and the Savings Union Bank and Trust Company, both of San Francisco, Cal.; also of the First National Bank, Juneau, Alaska.

Approved, pending final decision after receipt of report by Mr. Perrin, reviewing and analyzing competitive banking conditions in the 12th Federal Reserve District.

Dated Feb. 13th, recommending approval of the salary of \$2,400 each per annum for the following National Bank Examiners:

Mr. John W. Dalton

Mr. Henry C. Bergman, Jr.

Approved.

Letter dated February 11th from the Deputy Comptroller of the Currency, containing a list of changes in the National Bank Examining force made during the month of January, 1920.

Noted.


Other business was presented and disposed of as follows:

Letter dated January 30th from the Chairman, Federal Reserve Bank of Cleveland, in regard to directors of the Guardian Savings & Trust Company and the Cleveland Trust Company, both of Cleveland, Ohio, serving at the same time as directors of national banks.

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Referred to the Clayton Act Committee for report.

At 12 noon, the meeting adjourned.


Secretary.

Approved:


Governor.