

At a meeting of the Federal Reserve Board held in the office of the Board on Thursday, February 19, 1920, at 11 A.M.,

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

Minutes of meeting of the Board held February 18th were read, and on motion approved.

Business was presented and disposed of as follows:

Report by Law Committee dated February 18th, recommending the adoption of the following general condition to be imposed upon the membership in the Federal Reserve System of State banks possessing extraordinary powers:

"That except with the approval of the Federal Reserve Board, there shall be no change in the general character of their assets or broadening in the functions now exercised by them, such as will tend to affect materially the standard now maintained and required as a condition of membership, and that they will exercise all powers with due regard to the safety of their customers",

in substitution for conditions at present imposed to achieve the same object, except that it may be advisable in specific instances, after quoting the general condition, to direct particular attention of the applying bank to any unusual powers that the Board may believe to be potentially dangerous to the bank's customers.

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On motion duly seconded, the report of the committee was adopted.

REPORTS OF COMMITTEE NO. 1:

Dated Feb. 19th, 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. 19th, recommending changes in stock at Federal Reserve banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated Feb. 18th, recommending approval of application of C.H.C. Jagels to serve at the same time as President and Director of the Second National Bank of Hoboken, N.J., and of the Weehawken Trust Company, Town of Union, New Jersey; also as a director of the Mercantile Trust Company, Jersey City, N.J.

Approved.

Dated Feb. 19th, recommending approval of application of Allen N. Terbell to serve at the same time as Vice-President and Director of the Second National Bank, Hoboken, New Jersey, and of the Mercantile Trust Company, Jersey City, New Jersey; also as a director of the First National Bank of Guttenberg, New Jersey.

Approved.

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Dated Feb. 18th, submitting resignation of Mary V. O'Leary as Counter Clerk at \$1,040 per annum on duty in the National Bank Redemption Agency, effective at the close of business February 15, 1920.

Accepted.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business February 17th, and the status of rediscounts between Federal Reserve banks as of the same date.

Other business was presented and disposed of as follows:

Telegram dated February 19th from the Governor, Federal Reserve Bank of Kansas City, advising of the inability of that Bank to acquire at reasonable rental, adequate quarters for the Oklahoma City Branch of that Bank. Attention was called to the fact that the rental of \$600 per month referred to in Governor Miller's telegram was considerably out of line with similar expenses heretofore authorized by the Board in establishing other branches under like conditions, and the opinion was expressed that the case was not sufficiently urgent to justify the Board in approving an exorbitant rental for quarters.

On motion duly seconded, it was voted to refer the matter to the Governor with power.

The Governor reported that he had notified the

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Nebraska Congressional Delegation that the Governor of the Federal Reserve Bank of Kansas City would be in Washington on Tuesday, February 24th, for the purpose of conferring with the Board with respect to the charges made by Nebraska bankers against the Federal Reserve Bank of Kansas City in connection with its par point campaign.

Letter dated February 18th from the Acting Governor, Federal Reserve Bank of New York, advising that the Board of Directors of that Bank at its meeting yesterday, had referred to its Executive Committee with power, the matter of establishing a rate of five per cent on paper maturing up to ninety days, secured by United States certificates of indebtedness, subject to the approval of the Board.

The matter was discussed but no action taken.

Letter dated February 17th from Philip Stockton of the Old Colony Trust Company of Boston, giving his reasons why an embargo should be placed upon the export of gold from the United States.

Considerable discussion ensued on this subject but no action was taken.

The Governor stated that in view of rumors coming to his knowledge of unsatisfactory conditions in the Federal Reserve Bank of Dallas, he recommended that the Board direct

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Mr. Hoxton, its Executive Secretary, to visit Dallas for the purpose of investigating and reporting in the premises.

Voted to approve the recommendation of the Governor.

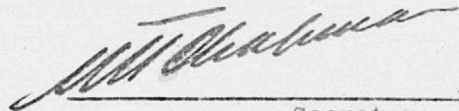
Correspondence with the Chairman of the Federal Reserve Bank of New York with respect to statements of condition filed with that Bank by banking firms doing an acceptance business, having particular reference to the oral statements filed by certain bankers. The suggestion was made that statements in permanent form should be obtained from all such banking institutions as are not now filing same.

Referred to the Law Committee for report.

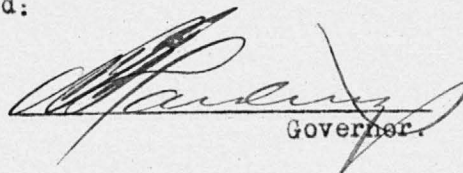
Letter dated February 18th from the Chairman, Federal Reserve Bank of Richmond, suggesting the policy to be pursued in admitting to membership in the Federal Reserve System certain small State institutions in the Fifth Federal Reserve District.

Referred to the Governor for reply.

At 12-25 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.