

At a meeting of the Executive Committee of the Federal Reserve Board, held in the office of the Board on Thursday, April 1, 1920, at 11-30 A.M.,

PRESENT: The Governor
Mr. Hamlin
Mr. Moehlenpah
Mr. Emerson, Assistant Secretary.

Business was presented and disposed of as follows:

The Governor presented a memorandum submitted by the Federal Reserve Bank of New York, dated March 31st, showing in schedule form the dates on which that Bank had been deficient in reserves against deposits and the amounts in dollars of such deficiencies, and advised that he had discussed this matter with the Board of Directors of the Federal Reserve Bank of New York, as well as the rate of penalty, if any, which should be assessed on deficiencies in reserves against deposits under Section 11 of the Federal Reserve Act. The Governor submitted to the Board a recommendation that when the reserves held by Federal Reserve banks against deposits fall below 35%, the Federal Reserve Board shall establish a tax of one per cent per annum upon the amount of such deficiencies until the reserves fall to 30%, and when the reserves fall below 30% the Federal Reserve Board shall establish a tax of two per cent per annum upon such deficiencies until the reserves fall to 25%.

Referred to General Counsel for report.

Telegram dated March 31st from the Chairman, Federal Reserve Bank of St. Louis, advising that Mr. John W. Boehne, Deputy Chairman and Class C Director of that Bank, was preparing to commence a campaign for nomination for Congress, and requesting the views of the Board as to whether or not Mr. Boehne should resign as Class C director while making such campaign.

Voted that the Governor be authorized to advise Mr. Martin that the Board is of opinion that a Federal Reserve bank director who becomes a candidate for public office before the people should resign as director upon announcing his candidacy, in accordance with policy of the Board as expressed in its circular No. 21, series of 1915.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rate 5% on paper secured by certificates of indebtedness, and 5-1/2% on paper secured by Liberty bonds and Victory notes, as follows:

<u>Date</u>	<u>Bank Rediscounting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Mar. 31st	Richmond	Dallas	\$5,000,000	11-15 days
	Noted.			

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business March 30th, and the status of rediscounts between Federal Reserve banks as of the same date.

Telegram dated March 31st from the Federal Reserve Agent at Atlanta, recommending for approval at that Bank the

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rate of 5-1/2% on rediscounts of bankers acceptances.

Approved.

Telegram dated March 31st from the Federal Reserve Agent at Kansas City, recommending for approval at that Bank the rate of 5-1/2% on rediscounts of bankers acceptances.

Approved.

Memorandum dated March 30th by the Secretary, recommending that regular blank checks be placed in the custody of the Fiscal Agent, and that such checks be written and issued from that office.

Approved.

Letter dated March 31st from the Federal Reserve Agent at New York, recommending salary increases for 67 employees of that Bank, amounting to \$6,460 per annum, effective April 1, 1920, under the plan adopted by the Federal Reserve Bank of New York which became effective January 1, 1920, whereby increases in salaries of employees would be considered annually on the anniversary of each employee's entrance into the Bank.

Approved.

Letter dated March 27th from the Federal Reserve Agent at Dallas, recommending approval of increase of \$10 per month in the salary of his Secretary, Mr. C. C. Christilles, effective April 1, 1920.

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Approved.

Telegram dated March 31st from the Chairman, Federal Reserve Bank of San Francisco, recommending that contract be let for steel to be used in the construction of the new bank building for that Bank; also that the Federal Reserve Board approve the estimate of the American Bridge Company.

Referred to the Governor for report.

REPORTS OF COMMITTEE NO. 1:

Dated April 1st, 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.

At 1 P.M., the meeting adjourned.


Assistant Secretary.

Approved:


Governor.