

At a meeting of the Federal Reserve Board held in the office of the Board on Friday, April 2, 1920, at 11 A.M.,

PRESENT: The Governor  
Mr. Hamlin  
Mr. Mochlenpah  
Mr. Williams  
Mr. Emerson, Assistant Secretary.

Minutes of meetings of the Federal Reserve Board held on March 29th and April 1st were read, and on motion approved.

Minutes of meeting of the Federal Reserve Board held March 30th were read, and on motion approved as amended.

Minutes of meeting of the Executive Committee held on March 31st were read, and on motion approved.

Minutes of meeting of the Executive Committee held on April 1st were read, and on motion approved as amended.

Business was presented and disposed of as follows:

The Governor reported that during his visit to New York on Wednesday, he met five representatives of commercial banks and acceptance houses of New York doing an acceptance business, for the purpose of discussing the acceptance market, and had also met certain newspaper representatives with Mr. Jay, who regularly call upon the latter, but that he had made no statements with reference to the position of the Board or of any individual members of the Board in connection with the development or operation of the acceptance market, as had been alleged in certain New York City newspapers of April 1st.

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The Governor submitted for approval of the Board, a draft of letter to all Federal Reserve banks advising them of the establishment by the Board of a graduated tax on deficiencies in reserves against deposits of Federal Reserve banks.

Approved.

(At this point Mr. Williams withdrew from the meeting)

The Governor read copy of a form letter used by the International Shoe Corporation of St. Louis in returning checks, drawn on banks not on the Federal Reserve par list and not collectible at par, to their customers with request for par exchange and explanation of reasons therefor; together with certain stickers used in the same connection.

Ordered circulated.

The Chairman of the Clayton Act Committee reported that after reviewing the additional data furnished by Messrs. John F. Morey and Gerald Hughes, representing the common directors of the International Trust Company and the First National Bank, both of Denver, Colorado, in their application for permission to serve as directors of both institutions, it being contended that such institutions were not in substantial competition as defined by Section 11 of the Federal Reserve Act; the Committee recommended to the Board that the directors be per-

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mitted to serve both institutions, since it was the belief of the committee that the institutions are not in substantial competition under the provisions of the section of the Federal Reserve Act referred to.

On motion duly seconded, it was voted to approve the recommendation of the Committee, Mr. Williams voting "No".

Telegram dated April 2d from the Federal Reserve Agent at San Francisco, advising the Board that he had received the following telegram from Assistant Secretary of the Treasury Leffingwell, and that he had complied with the instructions contained therein in this instance, but that he believed similar instructions in the future should emanate from the Federal Reserve Board rather than from the Treasury Department:

"In the event of probable overdraft in Treasurer's account at close of business today, after credit of all items of receipts, please hold open your books for account of Treasury certificates of indebtedness to be issued in name of your bank to cover such overdraft. Please advise me not later than five o'clock your time the amount necessary for this purpose".

On motion duly seconded, it was voted to ratify the action taken by Mr. Perrin in this transaction, and to refer the matter to the Governor for consultation with the Treasury Department as to the policy to be pursued in similar transactions in the future.

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The Governor reported rediscount transactions, 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>
Apr. 1st	Richmond.....	(Cleveland (Dallas	\$10,000,000 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 31st, and the status of rediscounts between Federal Reserve banks as of the same date.

REPORTS OF COMMITTEE NO. 1:

Dated April 1st, recommending approval of applications for fiduciary powers as set forth in the auxiliary minute book as of this date.

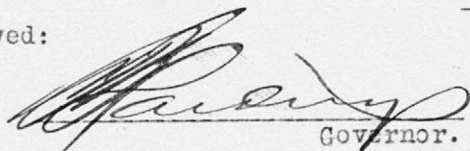
Approved.

Dated April 2d, advising of the appointment of Messrs. W.C. Clark and W. S. Pool as Telegraph Operators in the Washington office of the leased wire system at \$150 per month each, effective April 1, 1920, in accordance with authority granted on March 11, 1920.

Noted.

At 12-10 P.M., the meeting adjourned.

Approved:

  
Governor.

  
Assistant Secretary.