

At a special meeting of the Federal Reserve Board held in the office of the Board on Monday, April 12, 1920, at 11 A.M.,

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

Minutes of meeting of the Board held April 9th were read, and on motion approved.

Business was presented and disposed of as follows:

Letter dated April 10th from the Chairman, Banking and Currency Committee, United States Senate, requesting the views of the Board upon H. R. Bill No. 13201, providing a subsidy upon gold production. The Governor submitted for approval, draft of reply by him under date of April 12th.

Referred to the Governor and Mr. Miller with power.

Draft of organization chart of the Federal Reserve Board, containing suggested modifications affecting the Board's staff. (See auxiliary minute book as of this date)

Approved.

Telegram dated April 9th from the Chairman, Federal Reserve Bank of Cleveland, recommending changes in discount rates at that Bank.

Ordered tabled, and copies circulated.

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The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations at current rates, as follows:

| <u>Date</u> | <u>Bank Redis-</u> <u>counting</u> | <u>With</u> | <u>Amount</u> | <u>Maturities</u> |
|-------------|---------------------------------------|-------------|---------------|-------------------|
| April 9th | Richmond | Dallas | \$10,000,000 | 8-15 days |
| " | St.Louis | Boston | 5,000,000 | Within 15 days |

Noted.

Telegram dated April 10th from the Federal Reserve Bank of Chicago, advising that, effective April 12, 1920, its banking hours will be from 9 A.M., to 2 P.M. except Saturday, when they will be from 9 A.M. to 12 noon.

Noted.

Letter dated April 9th from Consulting Architect Trowbridge, requesting that the Board approve visits by himself and his assistant to the plants of manufacturers of vaults for Federal Reserve banks.

Approved.

Letter dated April 7th from the Federal Reserve Agent at Minneapolis, suggesting change in conditions to be imposed with regard to accumulation of surplus by State banks of Montana applying for membership in the Federal Reserve System.

Referred to the committee on State Bank Admissions for report.

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Letter dated April 6th from Alexander Wall, Secretary-Treasurer of the Robert Morris Associates, requesting that the Board become a research member of the Robert Morris Associates, who are engaged in an extensive study of credit barometrics, such membership to cost \$100 per annum; together with letter dated April 7th from the Director, Division of Analysis and Research, recommending favorable action by the Board.

On motion duly seconded, it was voted that the Board become a research member of the Robert Morris Associates at \$100 per annum.

Letter dated April 8th from the President, Federal Advisory Council, requesting that the Board submit topics for discussion at the next meeting of the Council to be held in Washington on May 17, 1920.

Referred to the Governor for report.

Letter dated April 9th from the Federal Reserve Agent at New York, suggesting that the Board publish, instead of a list of banks remitting at par, a list of those banks not remitting at par.

Referred to the Governor for procurement from Federal Reserve banks of lists of banks not remitting at par, and report.

(At this point Mr. Williams joined the meeting)

Letter dated April 10th from Representative Robsion of Kentucky, requesting an expression by the Board in response

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to allegations of coercion in connection with the par point campaign. The Governor submitted for approval, draft of reply by him dated April 12th.

Approved.

Communication dated April 9th from the Secretary of State, forwarding copy of paraphrase of telegram from the American Consul at London, in regard to the reported intention of the British Treasury of purchasing securities in connection with paying off the British part of the Anglo-French loan which matures in the fall.

Noted.

REPORTS OF COMMITTEE NO. 1:

Dated April 12th, 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 April 10th, recommending that the Board approve the application of Eugene V.R. Thayer to serve at the same time as President and Director of the Chase National Bank, as Director of the Metropolitan Bank and of the Mercantile Trust Company, all of New York City, upon the understanding that it is subject to revocation in the near future upon review of the situation in New York with respect to interlocking directorates.

Approved, Mr. Williams voting "No".

On motion duly seconded, it was voted that the Clayton

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Act Committee shall review the situation in each Federal Reserve district with regard to interlocking directorates heretofore approved by the Board, with a view to determining whether or not changes subsequent to approval warrant the Board in discontinuing permissions heretofore granted. Voted further, that the Clayton Act Committee be authorized, in this connection, to summon Federal Reserve Agents to Washington for the purpose of conferring with the Committee, with a view to standardizing and making uniform as far as possible, the Board's consideration of applications under the Kern amendment of the Clayton Act.

Dated April 9th, recommending that the Board defer action upon the application of D. H. Staley for permission to serve at the same time as a director of the Globe National Bank and the Central Savings Bank & Trust Company, both of Denver, Colorado.
Approved.

Other business was presented and disposed of as follows:

Letter dated April 9th from the Federal Reserve Agent at Boston, suggesting that on account of the difficulty of intelligent comparison of items of current expense of Federal Reserve banks in view of the inclusion therein of the conflicting figures showing the cost of Federal Reserve notes; the latter figures be shown separately.

Referred to Mr. Jacobson for report.

Letter dated April 9th from the Chairman, Federal Reserve Bank of Boston, in re accumulation in his hands of Federal

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Reserve notes of the Federal Reserve Bank of Boston of the denomination of \$1,000.

Referred to Mr. Emerson for report.

On motion duly seconded, the Governor was authorized to notify the Federal Reserve Agent at New York that it is desired by the Board that he and Mr. Kenzel of the Federal Reserve Bank of New York, bring to Washington on April 20th a committee of acceptance bankers of that city, for the purpose of discussing with the Board the general question of acceptances and the rate of discount thereon. The Governor was also authorized to notify the Federal Reserve Agent at Boston of the proposed conference, and to invite him to attend the same, accompanied by such bankers of Boston as may be interested in the conference.

On motion duly seconded, the Governor was requested to notify the Federal Reserve Agent at New York that the Board desires to review the situation in New York with respect to permissions heretofore granted under the Kern Amendment of the Clayton Act, and that the Board also desires that he come to Washington on April 20th, prepared to remain a day or two if necessary in order to present his views on the New York situation, and to bring with him such data and statistics as he may deem necessary.

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At 1 P.M., the meeting adjourned.



Secretary.

Approved:



Governor.