

At a meeting of the Federal Reserve Board held in the office of the Board on Wednesday, April 28, 1920, at 11.30 A.M.,

PRESENT: The Chairman
The Governor
Mr. Miller
Mr. Moehlenpah
Mr. Williams
Mr. Emerson, Assistant Secretary.

Minutes of meeting of the Board held April 27th were read and on motion approved.

Business was presented and disposed of as follows:

The Governor submitted for approval draft of a letter to the Chairman, Federal Reserve Bank, Dallas, in reply to a letter received April 16th recommending certain increases in salaries of employees in the Federal Reserve Agent's Department at the El Paso Branch.

Approved as amended.

Letter dated April 26th from the Chairman, Federal Reserve Bank, New York, regarding the improvement of the reserve position of that bank during the period from February 25th to April 22, 1920, and also reporting upon amount of rediscounts for the Guaranty Trust Company of New York.

Noted.

Telegram dated April 26th from the Chairman, Federal Reserve Bank, Dallas, submitting for approval of the Board, expenditure of \$3633.55 for six money chests to be installed in the new vault at the El Paso Branch.

Approved.

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Letter dated April 24th from Federal Reserve Agent Ramsey reporting the investigation by Ass't. Cashier Coleman of the recent defalcations at the El Paso and Houston Branches of the Federal Reserve Bank of Dallas.

Noted.

The Governor submitted for approval of the Board draft of a letter to the Chairman, Federal Reserve Bank of Dallas, with reference to certain salary recommendations of that bank, in reply to three letters dated April 23rd from that bank.

Approved.

Memorandum dated April 26th by General Counsel submitting recommendation by Mr. Charles E. Spencer, Vice-President, First National Bank of Boston, that reports by the Federal Reserve Banks to the Federal Reserve Board showing the kind of commodity back of loans be discontinued.

On motion made and seconded it was voted to continue the reports in the present form.

(At this point the Chairman joined the meeting.)

Letter dated April 20th from the Chairman, Federal Reserve Bank, San Francisco, requesting approval of the Board to proceed with the erection of their new bank building in accordance with the plans already submitted and approved by the Board.

Referred to the Governor to ascertain whether or not the delivery of the present sub-Treasury building to the Federal Reserve Bank of San Francisco next year would relieve the necessity for immediately beginning work on the new San Francisco bank building.

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Application of the Bank of United States, New York City, for permission to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13 of the Federal Reserve Act, together with recommendation of the Committee that action on this application be deferred.

On motion duly seconded, it was voted to defer action for the present.

REPORTS OF COMMITTEE NO. 1:

Dated April 28th, recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 28th, recommending approval of applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 27th, recommending approval of application of J. A. Cragin to serve at the same time as a director of the Inter-State National Bank of Kansas City, Missouri, and the First National Bank of Joplin, Missouri.

Approved.

Dated April 27th, recommending approval of application of C. H. Clark to serve at the same time as a director and officer of the City National Bank of Wichita Falls, Texas, and the First National Bank, Iowa Park, Texas.

Approved.

Dated April 28th, recommending employment of an additional telegraph operator in the Board's telegraph office at a salary of \$150 per month, effective May 1, 1920.

The Chairman reported the reserve positions of the several Federal Reserve Banks as at close of business April 26th,

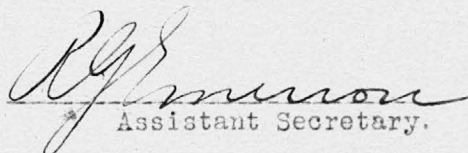
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and the status of rediscounts between Federal Reserve Banks as of the same date.

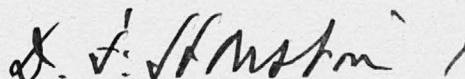
.Telegrams dated April 27th from the Federal Reserve Banks of San Francisco and Chicago, recommending rate of 5-3/4% on member banks' collateral notes and rediscounts secured by Liberty bonds and Victory notes.

On motion duly seconded, it was voted that the Governor be authorized to advise the Federal Reserve Banks of San Francisco and Chicago that the Board will approve rate of 6% for member banks' collateral notes secured by Liberty bonds and Victory notes, which are not actually owned by the borrowing banks, but is not disposed to sanction further changes at the present time; that the Governor be authorized to communicate to the other ten Federal Reserve Banks that, while the Board does not feel disposed at this time to approve a general recommendation for a rate of 5-3/4% on paper secured by Liberty bonds and Victory notes, it would approve rate of 6% on member banks' collateral notes secured by Liberty bonds and Victory notes not actually owned by the borrowing banks.

At 1-15 P.M., the meeting adjourned.


Assistant Secretary.

Approved:


Chairman.