

At a meeting of the Federal Reserve Board held in the office of the Board on Wednesday, May 5, 1920, at 3-30 P.M.,

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

Minutes of meeting of the Board held on April 30th were read, and on motion approved.

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

Business was presented and disposed of as follows:

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 bearing rate of 5%; 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%, and 5-1/2% on paper secured by Liberty bonds and Victory notes, as follows:

| <u>Date</u> | <u>Bank Redis-</u><br><u>counting</u> | <u>With</u> | <u>Amount</u> | <u>Maturities</u> |
|-------------|---------------------------------------|-------------|---------------|-------------------|
| May 3d      | St. Louis                             | Boston      | \$5,000,000   | 10-15 days        |
| "           | Kansas City                           | New York    | 6,000,000     | "                 |
| "           | Richmond                              | Cleveland   | 10,000,000    | 11-15 days        |

Noted.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations; rate 5%

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on paper secured by certificates of indebtedness bearing rate of 5%; 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%, and 6% on paper secured by Liberty bonds and Victory notes, as follows:

| <u>Date</u> | <u>Bank Redis-</u><br><u>counting</u> | <u>With</u> | <u>Amount</u> | <u>Maturities</u> |
|-------------|---------------------------------------|-------------|---------------|-------------------|
| May 3d      | Minneapolis                           | New York    | \$3,000,000   | 11-15 days        |

Noted.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business May 3d, and the status of rediscounts between Federal Reserve Banks as of the same date.

Telegrams dated April 30th and May 1st from the Kansas City Livestock Association, Kansas City, Missouri, relative to the financial situation as affecting the livestock industry.

Noted.

Telegram dated May 4th from the Chairman, Federal Reserve Bank of Atlanta, reporting the erroneous shipment to Havana, Cuba, by the Post Office Department of nineteen packages of Federal Reserve notes, face value \$1,050,000, destined for the Jacksonville Branch of that Bank.

Voted that the Governor inform the Postmaster General.

Letter dated May 3d from the Secretary, Canadian

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Society of Philadelphia, advising that it is the purpose of the Canadian Government to appoint a special representative of that Government in each consular district in the United States for bettering of trade relations between the United States and Canada.

Referred to the Governor for reply, that the Board would be glad to see anything done that promises better trade relations between the two countries, and is transmitting the suggestion to the Secretary of State.

Letter dated April 20th from the Chairman, Federal Reserve Bank of San Francisco, in re suggested increase in fees to be paid to directors of branches of that Bank.

Referred to the Governor with power.

REPORTS OF COMMITTEE NO. 1:

Dated May 1st, recommending that the First State Bank, Copperas Cove, Texas, an applicant for membership in the Federal Reserve System, be required to file a new application for stock in the Federal Reserve Bank in a sum equal to 6% of its paid-up capital and surplus on the date of application, including in such surplus both certified and uncertified surpluses.

Approved.

Dated May 5th, 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 May 4th, recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

Approved.

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Dated May 4th, recommending approval of applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated May 4th, recommending approval of applications of the following parties to serve at the same time as directors of the Textile National Bank and the Kensington Trust Company, both of Philadelphia, Pa.:

William Kommer  
Harry Brocklehurst  
John B. S. Rex  
Joseph G. Hitner  
James Hulton, Sr.

Approved.

Dated May 1st, recommending approval of appointment of Miss Bessie B. Kelisky as Stenographer and Typewriter in the Office of Chief Clerk of the Board at a salary of \$1,200 per annum, plus \$240 bonus, vice R. A. Bryans, transferred.

Approved.

Letter dated April 30th from the Chairman, Federal Reserve Bank of San Francisco, reporting the following appointments and increase in salary:

|                     |   |
|---------------------|---|
| Mr. C. J. Shepherd, | Manager, Los Angeles Branch                 |
| Mr. C. A. McLean,   | Acting Manager, Seattle Branch              |
| Mr. W. L. Partner,  | Acting Manager, Spokane Branch              |
| Mr. T. B. Sawyer,   | Telegraph Operator,                         |
|                     | increased from \$120 to \$150<br>per month. |

Approved.

Letter dated May 1st from the Chairman, Federal Reserve Bank of San Francisco, in re charges on transfers imposed by members of the Spokane Clearing House Association.

Referred to the Governor for reply.

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Letter dated April 30th from the Chairman, Federal Reserve Bank of San Francisco, explaining its attitude toward the application of the Anglo & London-Paris National Bank of San Francisco to receive immediate credit for its National bank note deposits with the Federal Reserve Bank of San Francisco.

Referred to the Governor with power.

The Governor submitted for approval, draft of letter by him dated May 5th, addressed to the Chairman, House Banking and Currency Committee, requesting an amendment of Section 13 of the Federal Reserve Act, so as to more specifically define the position of Federal Reserve Banks with respect to the collection of exchange charges by non-member banks.

Approved as amended.

Letter dated May 3d from Mr. Julius H. Barnes, United States Wheat Director, advising of an expected conference in Chicago on May 7th of representatives of the wheat industry, and inviting the Board to be represented at the conference.

Referred to the Governor for advice to the Federal Reserve Agent at Chicago to attend the conference and report to the Board the proceedings thereof.

Letter dated April 30th from the Chairman, Federal Reserve Bank of St. Louis, submitting for approval, form

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of lease to cover the lease by the Memphis Branch of that Bank of the Goodwyn Institute Building at Memphis, at a rental of \$13,800 per annum, upon the understanding that the branch will have to expend approximately \$50,000 for vaults, etc., and in the payment of bonuses to secure surrender of present leases of space in the building.

Approved.

Telegram dated May 4th from the Governor, Federal Reserve Bank of Kansas City, requesting approval of the expenditure by that Bank of \$165,000 for the purpose of acquiring the Farnum Building at Omaha, Nebraska, for permanent quarters of the Omaha Branch of that Bank.

Approved.

Letter dated May 3d from the Chairman, Federal Reserve Bank of Atlanta, requesting approval by the Board of renewal of the lease of quarters of the Birmingham Branch of that Bank.

Approved.

Letter dated May 3d from the Acting Governor, Federal Reserve Bank of New York, requesting approval by the Board of the following basis of participation by Federal Reserve Banks under the agreement of the Federal Reserve Bank of New York with the Bank of Japan:

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|                   |                   |
|-------------------|-------------------|
| Boston.....7.5%   | Philadelphia..8%  |
| Cleveland.....8.2 | Richmond.....4.9  |
| Atlanta.....3.6   | Chicago.....11.9  |
| St. Louis.....4.7 | Minneapolis.. 2.7 |
| Kansas City...4.8 | Dallas..... 2.6   |
| San Francisco.4.6 | New York.....36.7 |

Voted that the Governor advise all Federal Reserve Banks that the basis of participation submitted by the Federal Reserve Bank of New York is agreeable to the Board, and if satisfactory to the other Federal Reserve Banks, that they so notify the Federal Reserve Bank of New York.

At 5-15 P.M., the meeting adjourned.

  
Secretary.

Approved:

  
Governor.