

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Board on Wednesday, May 19, 1920, at 3 P.M.,

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

Minutes of meeting of the Board held May 15th were read, and on motion approved.

Business was presented and disposed of as follows:

The Governor submitted for approval of the Board, draft of letter dated May 15th to the Federal Reserve Bank of St. Louis, in regard to recent legislation enacted in the State of Mississippi providing for a depositors' guarantee fund upon the eligibility of Mississippi State banks for membership in the Federal Reserve System.

Approved.

Telegram dated May 19th from the Chairman, Federal Reserve Bank of St. Louis, recommending rate at that Bank of 5-1/2% on paper of all maturities secured by certificates of indebtedness bearing that rate, effective May 20, 1920.

Approved.

Telegram dated May 19th from the Chairman, Federal Reserve Bank of Atlanta, recommending a rate at that Bank of 5-1/2% on paper of all maturities secured by certificates of

-2-

indebtedness bearing that rate, effective May 21st.

Approved.

Letter dated May 15th from Assistant Federal Reserve Agent at New York, reporting on financial and business conditions in the Second Federal Reserve District.

Noted.

Letter dated May 18th from the Federal Reserve Agent at Philadelphia, in regard to banking and business conditions in the Third Federal Reserve District, and reporting upon the activities of the Federal Reserve Bank of Philadelphia.

Noted.

Memorandum dated May 19th by the Assistant Secretary, with reference to whether or not a copy of the stenographic report of proceedings of the conference of the Federal Advisory Council and Class "A" directors of Federal Reserve Banks with the Federal Reserve Board should be furnished to Federal Reserve Banks.

On motion duly seconded, it was voted that the shorthand reporter furnish to the Board one copy of report of the proceedings, and advise those attending the conference requesting copies of the stenographic report that the same may be obtained through the Federal Reserve Board upon request at their respective Federal Reserve Banks.

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

-3-

on paper secured by certificates of indebtedness bearing rate of 5% or less; 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> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 17th	Minneapolis	Cleveland	\$5,000,000	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% 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> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 17th	Richmond	Boston	\$10,000,000	11-15 days

Noted.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rate 6% on commercial paper, as follows:

-4-

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 17th	St. Louis	New York	\$5,000,000	31-90 days
May 18th	St. Louis	Cleveland	5,000,000	"

Noted.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business May 17th, and the status of rediscounts between Federal Reserve Banks as of the same date.

Letter dated May 12th from the Federal Reserve Agent at Minneapolis, suggesting appointees to the Board of Directors at the Helena Branch of that Bank.

Tabled for the next regular meeting of the Federal Reserve Board.

Application of the Union Savings Bank & Trust Company, Cincinnati, Ohio, for authority 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.

Approved.

Letter dated May 13th from the Chairman, Federal Reserve Bank of Dallas, advising that at the last meeting of the Board of Directors of that Bank they approved, subject to the approval of the Board, compensation at the rate of \$2.50 per meeting for directors attending executive committee meetings at the Houston and El Paso Branches of that Bank.

-5-

Approved.

Letter dated May 15th from the Mercantile Bank of the Americas, advising that a branch of their affiliated institution, the Banco Mercantil Americano del Peru, Lima, had opened a branch in Pirua, May 15th.

Noted.

REPORTS OF COMMITTEE NO. 1:

Dated May 19th, 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 18th, recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated May 19th, recommending approval of application for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated May 19th, recommending that application of the First National Bank, Waterloo, Iowa, for authority to exercise fiduciary powers be held pending receipt of report of next examination.

Recommendation approved.

Dated May 17th, submitting resignation of Miss Kate Ciucevich as Stenographer in the office of Secretary of the Board, effective June 14, 1920.

Accepted.

Dated May 14th, recommending approval of increase from \$3,000 to \$3,600 per annum in salary of Mr. Clarence F. Smith as National Bank Examiner, effective May 16, 1920.

Approved.

-6-

Dated May 10th, recommending approval of appointment of Mr. Louis Bentley Ammerman as head of the Purchasing and Supply departments of the Federal Reserve Bank of San Francisco, at a salary of \$2,400 per annum, effective April 28, 1920.
Approved.

Dated May 14th, recommending approval of appointment of Mr. F. J. Maurice as Assistant Cashier of the Detroit Branch, Federal Reserve Bank of Chicago, at a salary of \$3,500 per annum.
Approved.

Other business was presented and disposed of as follows:

Letter dated May 18th from Mr. W. W. Warwick, Comptroller of the Treasury, replying to letter to him from the Governor relative to the authority of the Federal Reserve Board to purchase real estate for use as offices for the Board and its staff.

Referred to the Governor with power.

Letter dated May 18th from the Governor, Federal Reserve Bank of Philadelphia, relative to the reduction in loans of member banks with the Federal Reserve Bank of that District during the past three weeks.

Noted.

Letter dated May 14th from the Governor, Federal Reserve Bank of Chicago, advising that the Board of Directors of that Bank had approved, subject to the approval of the Board, the expenditure of \$2,425 as the pro-rata contribution of that Bank toward providing new quarters for the Chicago Chapter

-7-

of the American Institute of Banking.

Referred to General Counsel for report.

Memorandum dated May 15th from the Assistant Secretary, suggesting that the Federal Reserve Banks be advised that it is no longer necessary for them to further withhold from circulation, silver certificates and standard silver dollars which they have segregated and are now holding in their vaults.

Approved.

Letter dated May 14th from the Federal Reserve Agent at Dallas, recommending that Mr. J.O. Douglas, Field Representative of the Federal Reserve Bank of Dallas, be continued in his present status.

Approved.

Letter dated May 15th from Deputy Governor Adelson of the Federal Reserve Bank of Atlanta, advising that representatives of the Federal Trust Company of Atlanta had called upon him, stating that they were contemplating the organization of a corporation patterned after the Federal Reserve Banks, to be known as the Federal Reserve Corporation, for the purpose of making advances to banks on their real estate loans.

Referred to the Governor with authority to advise the Federal Reserve Bank of Atlanta to notify the promoters of this corporation that if they formed a corporation known as the Federal Reserve Corporation, the Federal Reserve Bank would take steps to notify the public through

-8-

the press and otherwise, that such corporation had no connection whatsoever with the Federal Reserve Bank of Atlanta or the Federal Reserve System.

Letter dated May 15th from the Comptroller of the Currency, enclosing a copy of the last report of examination of the Mellon National Bank of Pittsburgh, Pennsylvania, together with an analysis showing the loans of that Bank to its officers and directors.

Noted.

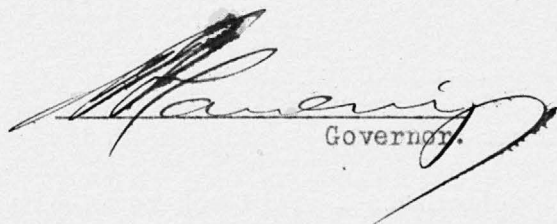
Letter dated May 14th from Senator Owen, replying to letter from the Governor to him under date of May 12th.

Noted.

At 5 P.M., the meeting adjourned.


Assistant Secretary.

Approved:


Governor.