

(Note skip in page numbering, 759 to 780. Mistake not correctible at time of discovery.)

At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, November 26, at 3 p. m.,

PRESENT:

- Mr. Harding, presiding,            Mr. Hamlin,
- Mr. Warburg,                        Mr. Williams,
- Mr. Miller,                          Mr. Willis, Secretary.
- Mr. Delano,

The minutes of the meeting of the Board held on November 23 were read and on motion adopted.

The minutes of the meetings of the Executive Committee held on November 24 and 26 were presented, and on motion approved and the action therein set forth ratified.

Discount rate changes proposed by various Federal Reserve Banks were presented and discussion of the changes ensued.

On motion the discount rates named by the Federal Reserve Banks which had thus far acted upon the changes in rates which had been under consideration in accordance with the Board's telegram of November 21, were approved, with the following exceptions:

Kansas City - Rate of 3% on 15-day paper secured by Government obligations, disapproved, and 3½% substituted.

Atlanta - Trade acceptance rate named for paper up to 90 days, instead of 60 as proposed by the Federal Reserve Bank of Philadelphia.

Accordingly telegrams indicating the Board's action were ordered sent as follows to the Federal Reserve Banks of Kansas City, Atlanta, St. Louis, Richmond, San Francisco and Philadelphia:

On November twenty-first Governor Harding telegraphed you as follows: "Board has reached conclusion that discount rates should be increased one half of one percent in each classification of paper discounted or purchased by Federal Reserve banks in cases where changes have not already been made, and will approve rates as follows: Fifteen day collateral notes secured by commercial paper four percent and secured by United States bonds three and one half percent. Ninety day commercial four and one half percent, United States Bonds four percent. Trade acceptances fifteen days three and one half percent, ninety days four percent. Any variations deemed advisable because of local conditions in any district will receive due consideration. This matter was discussed with Advisory Council which concurred unanimously with suggestions."

At today's meeting rates at different banks were taken under advisement and approved as follows:

PHILADELPHIA, same as named in telegram of November twenty-first except that rate for trade acceptances is made three and one half percent up to ninety days inclusive.

ST LOUIS, same as named in telegram of November Twenty-first except that trade acceptance maturities up to sixty days are fixed at three and one half percent instead of fifteen days as previously suggested.

ATLANTA, same as named in telegram of November twenty-first except that rate of four percent is fixed for trade acceptances for all maturities.

RICHMOND and SAN FRANCISCO, same as named in telegram of November twenty-first except that trade acceptance rate is made three and one half percent up to sixty days instead of for fifteen days as previously suggested.

KANSAS CITY, same as named in telegram of November twenty-first with no changes.

Action on rates at other Federal Reserve banks deferred until the meeting of Wednesday.

The Secretary was directed to advise all Federal Reserve banks of the action taken.

Other business was disposed of as follows:

A letter from Federal Reserve Agent Hardy with reference to the dates for the reports of state member banks, referred to Committee No. 1.

A letter from Federal Reserve Agent Perrin regarding the making of examinations under the auspices of the Board to take the place of clearing House examinations, referred to Committee No. 1.

A letter from Federal Reserve Agent Perrin with

reference to the cost of transporting currency for pay rolls, was read and noted.

A letter from Governor J. Z. Miller proposing a progressive penalty for deficient reserves of member banks, was referred to Committee No. 2.

A letter from Federal Reserve Agent Sawyer with reference to the action of the Federal Reserve Bank of Kansas City, electing directors for the Denver Branch, was read and noted.

A letter from Federal Reserve Agent Hardy with reference to the question of compensation for an Assistant Federal Reserve Agent at Richmond and suggesting a salary of \$3600, was referred to Committee No. 1.

A memorandum with respect to the shipment of gold to Uruguay, transmitted by the Minister of Uruguay, was referred to the Executive Committee acting on Gold Exports, a copy to be sent to Mr. Struass.

A letter from Federal Reserve Agent Curtiss, informing the Board of the election of Mr. C. A. Morss as Governor of the Federal Reserve Bank of Boston, was read, and on motion, it was voted to approve the appointment of Mr. Morss, at a salary of \$20,000 per annum, proposed by

the Federal Reserve Bank of Boston, the Secretary to advise Mr. Curtiss accordingly. It was informally agreed that the Boston Committee should prepare and place in the records a suitable resolution with reference to the services of Governor Aiken.

A letter from Federal Reserve Agent Hardy with reference to proposed additions to be made to the list of cities from which reports of member banks should be received, was read and the suggested additions were approved.

A letter from Federal Reserve Agent Jay transmitting a statement concerning the prospective membership of the United States Trust Company in the system, was ordered circulated.

A letter from Governor Fancher with respect to the action of the Farmers' Banking Company, of Prairie Depot, Ohio, which was granted admission to the Federal Reserve system, but now desires not to accept such admission, was referred to the Governor, with the request that he take the matter up with the Comptroller and Counsel.

A letter from the Riverside National Bank with reference to the taking over of its bonds by a Federal

Reserve Bank, was referred to the Governor, with power to reply.

A letter from Assistant Cashier Chalres Washburn, of Chicago, with reference to rupee exchange, was referred to the Executive Committee sitting as the gold export committee.

Governor Harding presented the question of designating Mr. F. I. Kent now Deputy Governor of the Federal Reserve Bank of New York, as foreign exchange advisor to the Board, and on motion it was voted that he be authorized to make such designation subject to his direction, provided that upon investigation, no objection is raised to other dealers in foreign exchange.

Governor Harding reported informally with reference to the status of Mr. Walter Wellborn, who represents Federal Reserve Agent Wellborn at New Orleans. The matter was referred to the Atlanta Committee for action.

On motion at 4:45 P. M., the Board adjourned, to meet on Wednesday November 28th, at 3 P. M.

APPROVED:

Chairman

*W. P. ...*  
Secretary