

At a meeting of the Federal Reserve Board, held in the office of the Board on December 9, 1918, at 11:15 A.M.,

PRESENT: The Governor  
Mr. Strauss  
Mr. Hamlin  
Mr. Miller  
Mr. Williams  
Mr. Broderick, Secretary.

The minutes of the meetings of the Board held on December 4th and 5th were read, and on motion approved.

The minutes of the meeting of the Executive Committee, held on December 6th were read, and on motion approved.

The minutes of the meetings of the Gold Export Committee, held on December 5th, 6th, 7th and 9th were presented and approved, and the action therein set forth ratified.

Morning business was presented and disposed of as follows:

On motion duly seconded, it was voted that the by-laws of the Federal Reserve Board be revised to read as follows:

BY-LAWS OF THE FEDERAL RESERVE BOARD  
Article I.

The Chairman.

The Secretary of the Treasury, as Chairman of the Board, shall preside at all meetings when present. In the absence of the Chairman, the Governor of the Board shall act as presiding officer. In the absence of both the Chairman and the Governor, the Vice-Governor shall preside, and in

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the absence of all three such officers, the remaining member of the Executive Committee shall preside.

## ARTICLE II

### The Governor.

Section 1. The Governor of the Federal Reserve Board shall be the active executive officer thereof; subject, however, to the supervision of the Board and to such rules and regulations as may be incorporated herein or may from time to time, by resolution, be established.

Section 2. The Governor shall have general charge of all executive business of the Board not specifically assigned by resolution to any individual member or committee thereof.

Section 3. It shall be the duty of the Governor to oversee and control the submission of statements to the press expressive of the Board's policy or descriptive of its action.

## ARTICLE III

### The Vice-Governor.

Section 1. In the absence or disability of the Governor, his powers shall be exercised and his duties discharged by the Vice-Governor, and in the absence or disability of both of these officers, such powers shall be exercised and such duties discharged by the remaining member of the Executive Committee.

Section 2. It shall be the duty of the Vice-Governor to cooperate with the Governor in the administration of the executive business of the Board.

## ARTICLE IV

### The Executive Committee.

Section 1. There shall be an Executive Committee of the Board consisting of three members, which shall include the Governor and Vice-Governor and one other. The third member shall be nominated and elected at a regular

meeting of the Board. Members of the Board shall serve as far as practicable in rotation and for periods to be fixed by the Board from time to time. Two members shall constitute a quorum for the transaction of business.

Section 2. It shall be the duty of the Executive Committee of the Board to transact all business of an administrative nature which can be transacted in accordance with principles or policies already established by the Board, and such as may be delegated to it from time to time; to review and approve important correspondence involving the expression of opinions or decisions of the Board, and to prepare and make recommendations governing the conduct of the Board's business.

#### ARTICLE V

##### The Secretary and Assistant Secretaries.

Section 1. The Board shall appoint a Secretary and one or more Assistant Secretaries.

Section 2. The Secretary or one of the Assistant Secretaries shall attend each meeting of the Board and shall keep an accurate record of its proceedings. The Secretary shall assist the Governor and members of the Board in the administration of the general business and in conducting the general correspondence of the Board. Under the direction of the Governor he shall have general supervision of all employees of the Board, except the staff of members of the Board and Counsel. The Secretary shall perform such other duties as may be assigned to him from time to time by the Board.

Section 3. The Secretary shall have custody of the seal and, acting under the authority of the Board, shall have power to affix the same to all instruments requiring it. Such instruments shall be attested by the Secretary.

Section 4. The Assistant Secretary designated by the Board or by the Secretary shall exercise the powers and discharge the duties of the Secretary in his absence or disability. The Assistant Secretaries shall perform such other duties as may be assigned to them from time to time by the Board or by the Secretary of the Board.

## ARTICLE VI

The Fiscal Agent and Deputy Fiscal Agent.

Section 1. The Board shall appoint a Fiscal Agent and a Deputy Fiscal Agent. The duty of the Fiscal Agent shall be to collect and deposit all moneys receivable by the Board with the Treasurer of the United States, to be placed in a special fund established on the books of the Treasurer for the Federal Reserve Board. The Deputy Fiscal Agent shall perform the duties of the Fiscal Agent during his absence or disability.

Section 2. The Fiscal Agent and Deputy Fiscal Agent shall each execute a separate bond with surety satisfactory to the Board.

Section 3. Payments of expenses and other disbursements of the Board shall be made by the Fiscal Agent upon proper vouchers out of moneys advanced to him by requisition and warrant out of the special fund and placed to his official credit with the Treasurer of the United States as provided by Section 5 of this Article. In the absence of the Fiscal Agent payment of expenses and other disbursements of the Board shall be made by the Deputy Fiscal Agent upon proper vouchers out of moneys advanced to the Fiscal Agent by requisition and warrant out of the special fund and placed to his official credit with the Treasurer of the United States as provided by Sections 5 and 6 of this Article.

Section 4. The Fiscal Agent shall prepare a quarterly account in such form as shall be approved by the Comptroller of the Treasury and, after approval by the Governor, such quarterly account shall be submitted to the Auditor for the State and other Departments. Such account shall cover payments of expenses and other disbursements made by both the Fiscal Agent and the Deputy Fiscal Agent.

Section 5. The Governor shall, when necessary, make requisition on the Treasurer of the United States for the advance of such sums to the Fiscal Agent as may be necessary from the Federal Reserve Board fund.

Section 6. The Deputy Fiscal Agent in making disbursements of the Board upon proper vouchers out of the moneys

advanced to the Fiscal Agent shall sign against funds to the official credit of the Fiscal Agent with the Treasurer of the United States in the name of the Fiscal Agent by himself as Deputy Fiscal Agent.

ARTICLE VII

Gold Settlement Fund and Federal Reserve Agent's Fund.

All funds deposited by or for account of the respective Federal Reserve agents in the Federal Reserve agent's fund of the Federal Reserve Board and all funds deposited by or for account of the respective Federal Reserve Banks in the Gold Settlement Fund of the Federal Reserve Board shall be held on deposit with the Treasurer of the United States and shall be subject to withdrawal only by check of the Federal Reserve Board signed by its Secretary or an Assistant Secretary and countersigned by the Governor, Vice-Governor, or the remaining member of the Executive Committee. In the absence of the Governor, Vice-Governor, and remaining member of the Executive Committee such checks shall be countersigned by the senior member of the Board present.

ARTICLE VIII

Requisition for Delivery of Federal Reserve Notes.

Requisitions upon the Comptroller of the Currency for the delivery of Federal Reserve notes to the respective Federal Reserve agents shall be signed by the Secretary or an Assistant Secretary, and countersigned by the Governor or Vice-Governor. In the absence of both the Governor and Vice-Governor, the power shall rest in the remaining member of the Executive Committee. In the absence of all three of these officers, the senior member of the Board present shall be authorized to countersign.

ARTICLE IX

The Seal.

The following is an impression of the seal adopted by the Board:

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## ARTICLE X

Counsel.

Section 1. The Board shall appoint a General Counsel whose duty it shall be to advise with the Board, or any member thereof, as to such legal questions as may arise in the conduct of its business; to prepare, at the Board's request, opinions, regulations, rulings, forms and other legal papers and to perform generally such legal services as he may be called upon by the Board to perform.

Section 2. Subject to the direction of the Governor, the General Counsel shall have authority to correspond directly with the Counsel of the various Federal Reserve Banks and to request their opinions as to the interpretation of the local laws of the States included in their respective Federal Reserve Districts. Copies of all such correspondence to be furnished to the Board for its information.

Section 3. Whenever it may be deemed advisable, the Board may appoint one or more Associate or Assistant Counsel, or one or more Assistants to Counsel. The duty of such Associate or Assistant Counsel shall be to assist the General Counsel in the performance of his duties and to perform the duty of the General Counsel in his absence. The duty of such Assistant to Counsel or Assistants to Counsel shall be to assist the General Counsel in the performance of his duties.

Section 4. The Board may appoint from time to time Consulting Counsel, who may be attorneys at law engaged in outside practice.

## ARTICLE XI

Meetings.

Section 1. Stated meetings of the Board shall be held on such days of the week and at such hours as the Board by majority vote may adopt from time to time. Special meetings of the Board shall be called upon the written request of three members of the Board.

Section 2. A majority of the Board shall constitute a quorum for the transaction of business, except that an

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affirmative vote of at least five members of the Board shall be necessary to require Federal Reserve Banks to rediscount the discounted paper of other Federal Reserve Banks, or to change reserves of banks in outlying districts.

Section 3. At all meetings of the Board the following shall be the order of business:

- (1) Reading or inspection of the minutes of the last regular meeting and minutes of meetings of all committees.
- (2) Report of the Governor.
- (3) Report of the Secretary.
- (4) Reports of the committees or members on assigned business.
- (b) Unfinished business.

#### ARTICLE XII

##### Information.

Section 1. All persons employed by the Board shall keep inviolate its business, affairs, and concerns, and shall not disclose or divulge the same to any unauthorized person whomsoever, and any employee who shall give information contrary to this by-law shall be liable to immediate dismissal.

Section 2. While each member of the Board must determine for himself the propriety or necessity of expressing publicly his individual opinion on any question, members shall not quote publicly the opinions of other members on matters which have not formally been passed upon by the Board.

#### ARTICLE XIII

##### Committee on Budget and Audit.

The Board shall appoint a committee consisting of two members of the Board, whose duty it shall be to audit the accounts thereof for the six months' period for which they shall have been appointed, and report to the Board a tentative budget of expenses for the next succeeding six months.

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## ARTICLE XIV

Amendments.

These by-laws may be amended at any regular meeting of the Board by a majority vote of the entire Board, provided that a copy of such amendments shall have been delivered to each member at least seven days prior to such meeting.

Voted that M. C. Elliott, at present Counsel of the Board, be authorized to assume the title of General Counsel.

The Governor reported the sale for the account of the Federal Reserve Bank of New York to the Federal Reserve Bank of Chicago, of \$50,000,000 bankers' acceptances, indorsed by member banks at the following rates:

4% - Within 30 days  
4-1/8% 30 to 60 days  
4-1/4% 61 to 90 days

Noted.

Letter dated December 6th, from the President of the International Banking Corporation, giving notice of the expected opening of branches by that Corporation at Harbin, China, and Sanchez, Santo Domingo.

Noted.

Letter dated December 7th, from Federal Reserve Agent, San Francisco, asking approval of rates of bonuses to be paid to employees of the Federal Reserve Bank of San Francisco.

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Voted that the question of salaries of officers and employees of Federal Reserve Banks be made special order business at the meeting of the Board to be held Friday, December 13th.

Voted that the election of Class "C" directors of Federal Reserve Banks and Government directors of Federal Reserve branch banks be made special order business at the meeting of the Board to be held on Wednesday, December 11th.

Report by Mr. Strauss in re application of First National Corporation of Boston for permission to extend its acceptances and deposits to an amount equal to twelve times its capital and surplus.

Voted to approve; letter of approval to contain paragraph to the effect that such approval does not signify approval by the Board of the legality of the corporate name of the company, that matter being without the jurisdiction of the Federal Reserve Board.

Mr. Williams requested that he be recorded as not voting.

The Governor reported the purchase for account of the Federal Reserve Bank of Philadelphia of \$1,000,000  $\frac{2}{3}$  certificate of indebtedness of the United States, for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated December 9th, recommending admission of State institutions as set forth in the auxiliary

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minute book as of this date, subject to the conditions stated in the individual reports attached to each application.

Approved.

Dated December 9th, recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated December 9th, recommending action on applications for fiduciary powers as stated in the auxiliary minute book as of this date.

Approved.

CHANGES IN STAFF:

Dated November 30th, recommending appointment of Miss F. M. Gordon as Reader of foreign publications in the Division of Analysis and Research, at a salary of \$1,200 per annum.

Approved.

Dated December 9th, recommending the temporary appointment of R. E. Jenkins as Telegraph Operator, Federal Reserve Board Leased Wire System, at \$140 per month.

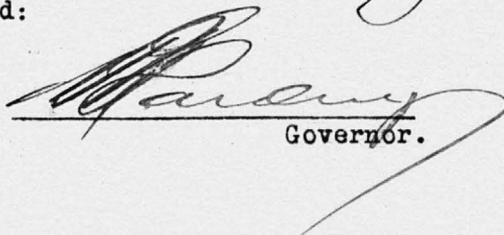
Approved.

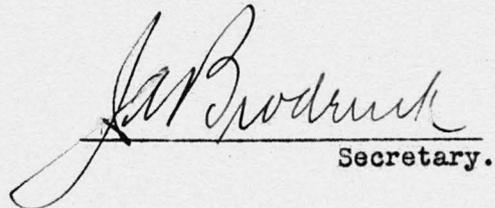
Dated November 30th, in re regulation of salaries of telegraph operators employed at Federal Reserve Banks.

Approved.

At 1:10 P.M., the meeting adjourned.

Approved:

  
Governor.

  
Secretary.