

At a meeting of the Federal Reserve Board held  
in the office of the Board on January 17, 1919, at 11 A.M.,

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

The minutes of the meeting of the Board held on  
January 15th were read, and on motion approved as amended.

The minutes of the meetings of the Gold Export Com-  
mittee held on January 16th and 17th were presented and ap-  
proved, and the action therein set forth ratified.

Consideration of the special order business, read-  
justment of discount rates, was by unanimous consent deferred  
until later in the meeting.

Morning business was presented and disposed of as  
follows:

Reports of discount rates received from various Fed-  
eral Reserve banks (no changes recommended).

Noted.

The Governor reported the consummation of the follow-  
ing rediscount transactions, pursuant to authority hereto-  
fore vested in him:

January 15th, by Federal Reserve Bank  
of Chicago for Federal Reserve Bank of Atlanta,  
\$1,000,000 member bank fifteen day collateral  
notes secured by Government obligations; rate  
4%.

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January 15th, by Federal Reserve Bank of Minneapolis for Federal Reserve Bank of Dallas, \$7,500,000 member bank fifteen day collateral notes secured by Government obligations; rate 4%.

January 17th, by Federal Reserve Bank of Chicago for Federal Reserve Bank of Atlanta, \$7,500,000 member bank fifteen day collateral notes secured by Government obligations; rate 4%.

Noted.

Report by Secretary, dated January 17th, in re establishment of special daily mail service between the New York Federal Reserve Bank and the Treasury Department at Washington.

Referred to the Governor and Mr. Hamlin for report.

Report by Mr. Miller dated January 16th, in re letter of John Ballantyne, Detroit, Michigan, proposing plan for stabilizing working conditions in the United States during the period of reconstruction.

Approved.

Report by Mr. Miller dated January 16th, in re memorandum of reconstruction information prepared by the Council of National Defense.

Approved.

Letter dated January 10th, from Governor, Federal Reserve Bank of San Francisco, in re drafts made payable,

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or payable if desired, at a designated bank.

Noted.

The Governor stated that the architect for the proposed new bank building to be erected by the Federal Reserve Bank of Dallas had called upon him and shown him the plans of the proposed new building, and stated that the plans called for such an elaborate and luxurious banking house that it would be well that the Board instruct Federal Reserve Agents to see to it that no contracts or commitments be made for the construction of a bank building unless and until plans for such building have been submitted to and approved by the Federal Reserve Board.

(At this point, the Governor was called from the meeting and the Vice-Governor assumed the chair).

Voted that the Governor be authorized to instruct the Federal Reserve Agents of all Federal Reserve banks that are contemplating the erection of new bank buildings, to be scrupulously careful in avoiding committing the banks to any bank building program until such program has been submitted to and approved by the Federal Reserve Board, and to emphasize the necessity of avoiding unwise expenditure of money in the erection of too luxurious banking quarters.

Voted further that Mr. Miller submit to the Board his recommendation as to the formation of a committee of members of the Federal Reserve Board and Governors or Federal Reserve Agents, to give special consideration to the question of new banking quarters.

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REPORTS OF COMMITTEE NO. 1:

Dated January 17th, 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 January 17th, recommending action on applications for fiduciary powers as stated in the auxiliary minute book as of this date.

Approved.

Dated January 17th, application of Goldsborough Serpell to serve at the same time as director of the Trust Company of Norfolk, and the Seaboard National Bank, both of Norfolk, Virginia.

Approved.

Dated January 17th, applications of J. G. Womble, E. O. Parkinson, L. P. Roberts, Charles W. Priddy, Hugh C. Davis, W. M. Whaley and C. W. Grandy, Jr., to serve at the same time as directors of the Trust Company of Norfolk, and the Norfolk National Bank, both of Norfolk, Va.

Approved.

Dated January 17th, applications of H. M. Kerr, John W. Rodgers, C. S. Carr, T. S. Southgate, John T. B. Hyslop and S. L. Slover to serve at the same time as directors of the Trust Company of Norfolk and the National Bank of Commerce, both of Norfolk, Virginia.

Approved.

Other business was presented and disposed of as follows:

Letter dated January 10th, from the Governor of

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the Federal Reserve Bank of San Francisco, advising of the appointment of Mr. Chester D. Phillips to undertake the campaign to add non-member banks to the par list of that Bank.

Noted.

Letter dated January 13th, from the Chairman, Federal Reserve Bank of Kansas City, advising of the election of officers of that Bank and its branches at Omaha and Denver for the year 1919, and of the amendment of the by-laws of the Omaha branch.

Noted; amendments to by-laws referred to Secretary for report.

Letter dated January 10th, from Chairman, Federal Reserve Bank of Cleveland, advising of the following appointments of officers of that Bank:

Assistants to the Governor:

M. J. Fleming and F. J. Zurlinden.

Cashier: H. G. Davis.

Assistant Cashiers:

W. F. Taylor, H. F. Strater and C. W. Arnold.

Auditor: G. H. Wagner.

Noted.

Letter dated January 10th, from the Federal Reserve Agent at San Francisco, requesting approval of in-

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crease in the salary of E. H. Tucker from \$150 to \$165 per month, effective January 1, 1919.

Approved.

Letter dated January 10th, from the Secretary of the Federal Reserve Bank of Chicago, submitting for approval amendment to the by-laws of the Detroit branch.

Referred to Secretary for report.

Letter dated January 16th, from Chairman of the Board, Federal Reserve Bank of Philadelphia, reporting the election of Mr. L. L. Rue as a member of the Federal Advisory Council; the reappointment of Mr. Parker H. Williams as Counsel of the Bank at a salary of \$2,500 per annum, upon the understanding that he would render bills for extraordinary services; and the appointment of Mr. Frank Risley as Federal Reserve Examiner at a salary of \$3,600 per annum.

Approved.

Memorandum by Secretary dated January 17th, recommending action upon the recommendations of the Board of Directors of the Federal Reserve Bank of Atlanta, covering salaries of officers and employees of that Bank and its branches for the year 1919.

Approved.

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(At this point Mr. Harding rejoined the meeting and assumed the chair).

Letter dated January 15th, from the Mercantile Bank of the Americas, advising that the Banco Mercantil Americano de Cuba has opened a temporary office in Havana.

Noted.

Letter dated January 16th, from Deputy Governor Hutt, Federal Reserve Bank of Philadelphia, requesting the assistance of the Board in securing the release from military service of necessary employees of that Bank.

Referred to Secretary.

Memorandum by General Counsel, dated January 14th, in re drafts payable at a designated bank.

Referred to Mr. Hamlin for report.

Memorandum by General Counsel, dated January 14th, in re suggestion of amendment to law so as to permit State banks, members of the Federal Reserve System, to be designated as depositories of public funds.

Noted.

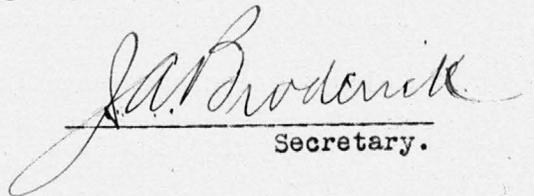
The Governor stated that it was in order to give consideration to the question of the readjustment of discount rates made special order business at this meeting, and stated that he had today conferred on the subject with the

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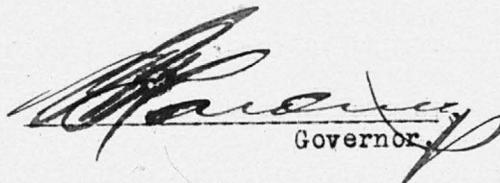
Secretary of the Treasury, who had requested him to express to the Board his hope that no increase in discount rates would be made effective at this time because of the adverse effect such increase would have on Treasury flotations, it being his belief that the recent softening of commercial rates of interest had resulted in the same relative position of Federal Reserve bank rates as if such Federal Reserve bank rates had been raised.

Voted to defer consideration of the question until the meeting of the Board to be held on Monday, January 20th.

At 12:50 P.M., the meeting adjourned.

  
Secretary.

Approved:

  
Governor.