

At a meeting of the Federal Reserve Board, held in the office of the Board on January 20, 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 17th, were read and on motion approved.

The minutes of the meetings of the Gold Export Committee held on January 18th and 20th, were presented and approved, and the action therein set forth ratified.

The subject of adjustment of the discount rate on paper secured by United States certificates of indebtedness or Liberty Loan bonds, made special order business at this meeting, was discussed, and it was voted that, in view of the attitude of the Treasury Department as expressed to the Governor by the Secretary of the Treasury on January 17th, no increase be made in such rate at this time.

The Governor reported the purchase, on January 18th, of a special 2% certificate of indebtedness of the United States for \$1,000,000 for the Federal Reserve Bank of Philadelphia for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes.

Approved.

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REPORTS OF COMMITTEE NO. 1:

Dated January 18th, 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 18th, (2 reports) recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated January 17th, application of H. Ward Ford to serve at the same time as director of the First National Bank, Morristown, New Jersey, the Greenwich Bank, New York City, and the Colonial Bank, New York City.

Approved.

Dated January 15th, recommending approval of a salary of \$2,400 per annum for William F. Mitchell, National Bank Examiner.

Approved.

Dated January 20th, recommending the reappointment of Wm. I. Chamberlin in the Division of Reports and Statistics at \$1,650 per annum, effective January 27th.

Approved.

Dated January 16th, recommending increase in the salary of Miss Anna McGowan, Division of Foreign Exchange, New York, from \$1,430 to \$1,500 per annum, effective January 16th.

Approved.

Other business was presented and disposed of as follows:

The Governor submitted the following letters ad-

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dressed to him by the Secretary of the Treasury and Mr.

Strauss:

"January 20, 1919.

"Dear Governor Harding:

"Adverting to the conversation on the subject which I had with you some days ago, I have now, with the approval of the President, requested Mr. Albert Strauss to go to Europe for the Treasury in an advisory capacity in connection with the armistice discussions and other financial questions arising at the Peace Conference. The American Mission requested that Mr. Strauss be sent to Paris, and the President has concurred in such request. I am in hopes that Mr. Strauss will be able to return to his duties with the Federal Reserve Board before any considerable lapse of time.

Very truly yours,
CARTER GLASS.

"Hon. W.P.G. Harding,
Governor, Federal Reserve Board,
Washington, D.C."

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"January 20, 1919.

"To the Governor:

"Confirming my verbal request of last week I hereby respectfully apply to the Federal Reserve Board for leave of absence in order to permit me to comply with the request of the Secretary of the Treasury to proceed to Paris for the purpose of advising in connection with financial affairs that may come up for discussion at the Peace Conference. The American Mission has requested my presence in Paris and the President has concurred in such request.

ALBERT STRAUSS."

Voted that Mr. Strauss be granted indefinite leave of absence, effective January 22d, for the purpose of joining the American Mission at Paris as a representative of the Treasury Department.

Report by Secretary dated January 20th, in re proposed amendments to by-laws of the Detroit Branch of the Federal Reserve Bank of Chicago.

Approved.

Report by Secretary dated January 20th, in re amendments to by-laws of the Omaha Branch of the Federal Reserve Bank of Kansas City.

Approved.

Memorandum by General Counsel, dated January 14th, in re drafts payable at a designated bank, with recommendation of approval by Chairman of the Law Committee.

Approved.

Letter dated January 15th, from Mr. James B. Forgan, Chairman of the Federal Advisory Council, advising that the next statutory meeting of the Council will be held in Washington on Monday, February 17, 1919, and requesting that the Board submit topics for discussion.

Referred to the Governor for reply.

The Governor submitted memorandum prepared by the consulting architect of the Federal Reserve Bank of New York,

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in which it was suggested that the bank acquire, at a cost not to exceed \$1,500,000, the remainder of the block bounded by Nassau, Liberty and William Streets and Maiden Lane.

Voted that the Federal Reserve Bank of New York be authorized to proceed with negotiations looking to the acquisition of such additional property, at not exceeding the price mentioned, upon the understanding that the Board will approve such purchase when submitted to it at the proper time.

Letter dated January 18th, from the Federal Reserve Agent at New York, in re treatment of deposit reserves of member banks in view of requirements of the Comptroller that exchanges for clearing house be deducted, not from "Gross Deposits" but from the item "Due to Banks".

Voted to refer to General Counsel with the statement that the Board is impressed with the points raised in Mr. Jay's letter and believes it advisable to take the steps suggested by him, in view of the hardship upon State bank members alluded to by Mr. Jay.

Letter dated January 16th, from the Manager of Investments of the Federal Reserve Bank of New York, in re methods of financing export business.

Referred to General Counsel for opinion.

Memorandum by Mr. Strauss, dated January 18th, in re opinion of General Counsel concerning the proceeds of member bank acceptances used in the purchase of goods in the process of importation.

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Ordered circulated, Chairman of the Law Committee to ascertain if General Counsel desires to submit further opinion in view of Mr. Strauss' memorandum.

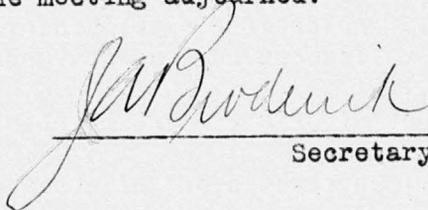
Application of the Anglo and London Paris National Bank of San Francisco for permission to invest \$250,000 in stock of the Asia Banking Corporation.

Approved.

The Governor reported the reserve position of the several Federal Reserve banks and stated that the Reserve banks held today temporary certificates to cover overdrafts by the Treasury Department amounting to \$131,000,000, which it was expected would be liquidated within a few days.

The Governor stated that the text of the Annual Report of the Board had been sent to the Government Printing Office today.

At 12:05 P.M., the meeting adjourned.


Secretary.

Approved:


Governor