

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

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

The minutes of the meeting of the Board held on June 10th were read and on motion approved.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him: member bank promissory notes secured by Government obligations; rate 4% on paper secured by certificates of indebtedness and 4 $\frac{1}{2}$ % on paper secured by Liberty bonds or Victory notes, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
June 10th	Dallas	Chicago	\$4,000,000	1-15 days
June 10th	Philadelphia	Chicago	8,000,000	11-15 days

Noted.

Letter dated June 2d from the Chairman of the Federal Reserve Bank of San Francisco, submitting proposed amendment to the by-laws of the Security Trust and Savings Bank, Los Angeles, California, designed to make the provisions and practices with reference to "special savings" such that the Federal Reserve Board would construe them to be savings deposits within the meaning of Regulation D, and therefore

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subject to reserve deposit of only 3%; together with negative opinion by General Counsel. The Governor submitted for approval draft of telegram to Mr. Perrin under date of June 11th, as follows:

"Your letter June second enclosing proposed revised form by-laws relating to savings deposits received. Amended by-laws do not require presentation of pass book when withdrawals are made. Bank merely has option to require presentation of pass book and may if it desires, waive presentation in any case. Board's regulations require that savings accounts to be considered time deposits must be payable only upon presentation of pass book. Deposits which are payable even at the option of the bank without presentation of pass book are not therefore time deposits within meaning of board's regulations."

Approved.

Memorandum by the Secretary dated May 27th, in re recommendations made by Federal Advisory Council at meeting May 19th.

Referred to Mr. Strauss for report.

Application of the Brownwood National Bank, Brownwood, Texas, 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.

REPORTS OF COMMITTEE NO. 1:

Dated June 11th, recommending action on applications for

fiduciary powers as set forth in the auxiliary minute book as of this date.  
Approved.

Dated June 10th, recommending appointment of Mr. F. W. Jones on the staff of the Division of Analysis and Research on a full time basis at a salary of \$2,400 per annum, effective today until September 30, 1919.  
Approved.

Dated June 11th, recommending action on applications for permission to export coin, bullion and currency as set forth in the auxiliary minute book as of this date.  
Approved.

Other business was presented and disposed of as follows:

The Governor stated that, in view of the imminent discontinuance of the work of the Division of Foreign Exchange, it would be well for the Board to consider the question of the extent to which the work heretofore carried on by that division should be continued under the auspices of the Division of Analysis and Research.

On motion duly seconded Messrs. Strauss and Miller were appointed a committee to investigate and report, such report to include recommendation as to the disposition to be made of the records of the Division of Foreign Exchange.

(At this point Mr. Williams joined the meeting)

The Governor stated that he had received a further communication from the Director of the Division of Analysis

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and Research, commenting upon Mr. Strauss' adverse criticism of the proposed questionnaire to be sent to Federal Reserve banks for the purpose of procuring data respecting the origin of bills of exchange in the United States.

On motion duly seconded, the question was referred to the Governor for further discussion with the Director of the Division of Analysis and Research.

The Governor reported that, pursuant to instructions given him at the meeting of the Board held on yesterday, he had conferred with the Secretary of the Treasury with respect to the motion made by Mr. Miller that a meeting be held with the Executive Committee of the Federal Advisory Council for the study of Europe's financial needs and the possible formation of a committee on financial facilities for Europe, and that the Secretary had stated to him that he believed the Board was adopting a wise measure in placing itself in this position to do valuable constructive work, and that anything the Board might do in this direction would be entirely agreeable to him.

Voted that the Governor request the President of the Federal Advisory Council to appoint a committee of that body to meet with the Board for the discussion of the question of furnishing financial facilities to Europe.

(At this point Mr. Williams withdrew from the meeting).

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The Governor stated that he was in receipt of a letter from Senator Robert L. Owen, requesting that he be furnished with a list showing the total rediscounts made by member banks in Oklahoma with the Federal Reserve Bank of Kansas City during the period from January 1 to May 31, 1919.

Voted that the Governor be authorized to request such data from the Federal Reserve Bank of Kansas City and to advise Senator Owen of such action, but to say to him that before communicating the information to him the Board would like to ascertain the purpose for which the data is desired, in order to determine whether or not it would be proper for the Board to furnish the information.

Telegram dated June 11th from the Chairman of the Federal Reserve Bank of San Francisco, advising that the Executive Committee of that Bank desired to make payment of mid-year bonuses to employees.

Referred to the Governor for reply that the Board adheres to its previous position that mid-year bonuses are undesirable, but that if the Directors of the Federal Reserve Bank of San Francisco deem local conditions such as to justify them in taking a different attitude, the Board will interpose no objection to their doing so.

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



Assistant Secretary.

Approved:



Governor.