

At a meeting of the Federal Reserve Board held in the office of the Board on Wednesday, October 22, 1919, at 3 P.M.,

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

PRESENT ALSO: Mr. John Perrin, Federal Reserve Agent at San Francisco.

Business was presented and disposed of as follows:

Mr. Perrin read to the meeting letters addressed to him by the Chief Examiner of the Federal Reserve Bank of San Francisco, bearing on the failure of the Scandinavian-American Bank of Seattle, Washington, to carry out its various agreements with the Federal Reserve Bank, looking to improvement in the affairs of the member bank.

On motion duly seconded, it was voted that the Scandinavian-American Bank of Seattle, Washington, be cited to Washington for a hearing before the Federal Reserve Board at 11 A.M. Monday, November 10, to show cause why it should not be required to surrender its stock in the Federal Reserve Bank of San Francisco and all rights and privileges as a member of the Federal Reserve System.

Voted further, that in the event of the member bank's desiring to waive its right to a hearing before the Board at the time and place specified, it may appear before the Federal Reserve Agent, the local representative of the Board, in his office in the Federal Reserve Bank of San Francisco, on the same day and at the same hour.

The Governor submitted for approval draft of notice prepared by him under date of October 22, informing the Scandinavian-American Bank of the action of the Board.

Approved.

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

Letter dated October 15, from Deputy Governor Case of the Federal Reserve Bank of New York, submitting form of consolidated financial statement prepared by John Wanamaker, New York and Philadelphia.

Voted that the Secretary inform the Federal Reserve Bank of New York that the form of statement as submitted is not in compliance with the regulations of the Board in the premises.

The Governor reported the purchase of special 2% certificates of indebtedness of the United States for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes, as follows:

<u>For Federal Reserve Bank of:</u>	<u>Date</u>	<u>Amount</u>
San Francisco	October 18,	\$1,000,000;
San Francisco	October 20,	800,000.

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  $4\frac{1}{4}\%$  on paper secured by Liberty bonds and Victory notes, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
October 18	Dallas	Chicago	\$4,000,000	11-15 days;
October 20	Dallas	Chicago	4,000,000	11-15 days;
October 20	Richmond	Chicago	5,000,000	11-15 days;
October 21	Atlanta	Chicago	1,500,000	11-15 days.

Noted.

On motion duly seconded it was voted to make special order business of the meeting of the Board to be held on Tuesday, October 28, the question of the proposed establishment of an additional branch of the Federal Reserve Bank of Kansas City.

Letter dated October 20, from Consulting Architect Trowbridge, recommending increase from \$125,000 to \$150,000 in the amount to be expended by the Federal Reserve Bank of Dallas in the construction of quarters for the El Paso Branch of that bank.

Approved, subject to reconsideration if the Secretary of the Treasury should not concur with such approval.

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

Letter dated October 18, from Assistant Secretary of the Treasury Leffingwell, submitting letter from Congressman Hicks requesting information as to the amounts and percentage of money raised by Great Britain, France, Italy, Germany, and the United States, by loans and taxation, for war expenditures.

Referred to the Statistician for the preparation of a reply.

Letter dated October 13, from the Governor of the Federal Reserve Bank of Philadelphia, requesting authority to increase from \$10 to \$20 per meeting the fee for attendance at meetings of the Executive Committee of that bank.

Disapproved.

Memorandum by Mr. Paddock, dated October , recommending that a conference be held of Examiners of Federal Reserve Banks.

Referred to the Governor for submission to the Conference of Federal Reserve Agents.

REPORTS OF COMMITTEE NO. I:

Dated October 22, 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 October 22, recommending action on applications for fiduciary powers as stated in the auxiliary minute book as of this date.  
Approved.

Dated October 21, (3 reports) recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.  
Approved.

Dated October 17, recommending approval of the application of Ralph H. Mann for permission to serve at the same time with the Back Bay National Bank, Boston, Massachusetts; the Park Trust Company, Worcester, Massachusetts; and the North Brookfield National Bank, North Brookfield, Massachusetts.  
Approved.

Dated October 17, recommending approval of the application of Waller Holladay for permission to serve at the same time with the American National Bank, Richmond, Virginia, and with the First National Bank, Louisa, Virginia.  
Approved.

Dated October 21, recommending approval of the application of J. A. Kemp for permission to serve at the same time with the City National Bank, Wichita Falls, Texas, and with the City National Bank, Dallas, Texas.  
Approved.

Dated October 21, recommending increase in the salary of National Bank Examiner John A. Best from \$3,300 to \$3,600 per annum.  
Approved.

Dated October 21, recommending approval of salary of \$1,500 per annum for Miss Anna M. Judge, as assistant in the Federal Reserve Agent's Department, Federal Reserve Bank of Philadelphia.  
Approved.

Dated October 21, recommending that authority be granted for the employment of thirty additional currency counters to be assigned to the National Bank Redemption Agency.  
Approved.

At 5:30 P.M. the meeting adjourned.

  
Secretary.

Approved:

  
Governor.