

At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, November 4, 1919, at 11 A.M.,

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

Minutes of the meeting of the Board held on October 30th were read, and on motion approved.

Minutes of the meetings of the Board held on October 31st and November 3d were read, and approved as amended.

Business was presented and disposed of as follows:

The Governor stated that the Federal Reserve Bank of Boston desires authority to establish the following discount rates, effective November 4th:

For advances not exceeding 15 days to member banks on their promissory notes secured by:

- (a) United States certificates of indebtedness, Liberty bonds, Victory notes and customers' notes secured by any of the foregoing 4-1/2%
- (b) United States certificates of indebtedness bearing 4-1/4% interest 4-1/4%
- (c) Eligible commercial paper 4-3/4%

For notes, drafts and bills of exchange having a maturity at time of rediscount of not more than 90 days 4-3/4%
(Including rediscounts, for periods not exceeding 15 days, of eligible paper having a maturity at time of rediscount of more than 15 days)

For notes, drafts and bills of exchange having a maturity of not in excess of 90 days secured by Liberty bonds or Victory notes 4-1/2%

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For trade acceptances and bankers acceptances
 having a maturity at time of rediscount of not
 more than 90 days 4-1/2%

For agricultural paper having a maturity at time of
 rediscount of more than 90 days but not more
 than six months 5%

Approved.

Telegram dated November 3d from the Chairman,
 Federal Reserve Bank of Kansas City, requesting authority
 to make changes in discount rates. The Governor submitted
 for approval draft of telegram by him, authorizing such
 changes as follows:

For advances, not exceeding 15 days, to member banks
 on their promissory notes secured by Treasury cer-
 tificates of indebtedness, Liberty bonds and Victory
 notes, and customers notes secured by any of the
 foregoing..... 4-1/2%

On Treasury certificates of indebtedness bearing
 4-1/4% interest..... 4-1/4%

On eligible commercial paper..... 5%

Rediscounts of notes, drafts and bills of exchange
 having maturity at time of rediscount of not more
 than 90 days..... 5%

(Including rediscounts for periods not exceeding
 15 days of eligible paper having maturity at
 time of rediscount of not more than 15 days)

For notes, drafts and bills of exchange maturing
 within 90 days, secured by Liberty bonds or
 Victory notes..... 4-1/2%

Same, secured by Treasury certificates, according to
 rate of interest borne by certificates..... 4 1/4% to 4 1/2%

Trade acceptances and bankers acceptances maturing
 within 90 days..... 5%

Agricultural paper maturing in more than 90 days but
 not longer than six months..... 5-1/2%

Approved.

On motion duly seconded it was voted that General Counsel be instructed to prepare an opinion as to the power of the Board to approve the expenditure of \$75,000 in the erection of a building for the testing of vault construction and protection.

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>
Atlanta,	Nov. 3d	\$400,000

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 $\frac{1}{2}$ % 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>
Oct.29th	Philadelphia	Chicago	\$4,000,000	11-15 days
Oct.30th	Philadelphia	Chicago	4,000,000	"
Oct.31st	Atlanta	Chicago	1,500,000	"
"	Philadelphia	Chicago	2,500,000	"

Noted.

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The Governor reported the reserve positions of the several Federal Reserve banks as at close of business November 1st, and the status of rediscounts between Federal Reserve banks as of the same date.

Table prepared by General Counsel's office, and suggested for insertion in the Federal Reserve Bulletin, containing analysis of State laws relating to capital and surplus of banks.

Ordered published in Federal Reserve Bulletin.

Letter dated October 30th from the Chairman, Federal Reserve Bank of Philadelphia, in re construction of vault for that Bank.

Referred to the Governor for report.

Letter dated November 3d from the Chairman, Federal Reserve Bank of Philadelphia, in re eligibility for reelection of Mr. M. J. Murphy as a Class A director of that Bank.

Referred to the Governor for reply that the Board is of the opinion that Mr. Murphy is legally eligible for reelection.

Letter dated October 31st from the Governor, Federal Reserve Bank of Philadelphia, in re suggested increase in the fees of directors attending committee meetings at that Bank.

Tabled for conference with Governors of Federal Reserve Banks.

Letter dated October 31st from the Federal Reserve Agent at Richmond in re personnel of that Bank.

Referred to the Governor for recommendation, with authority to visit Richmond at the expense of the Board.

Letter dated October 30th from the Chairman, Federal Reserve Bank of New York, requesting authority to postpone the opening of polls for the election of directors from Tuesday, November 18th, to Tuesday, December 2d.

Approved.

Letter dated October 30th from the Chairman, Federal Reserve Bank of Chicago, in re campaign to increase membership and cultivate closer relations with member banks.

Referred to the Governor for reply.

Letter dated October 27th from the Counsel of the Federal Reserve Bank of St. Louis, requesting approval of placing of group insurance for employees of the Liberty Loan Organization of the Eighth Federal Reserve District.

Approved, unless legal objection is raised by General Counsel.

Letter dated October 26th from the Chairman, Federal Reserve Bank of Dallas, in re possible claim for infringement in connection with work being done on new bank building.

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Referred to the Governor for reply.

Memorandum by General Counsel dated October 31st, recommending appropriation of \$2,000 to be expended in the acquisition of a law library for the Board's law department.

Approved, the expenditure to be made only subject to the approval of the Chairman of the Law Committee.

Memorandum by Comptroller of the Currency dated October 29th, recommending approval of the application of the Freedom National Bank, Freedom, Pennsylvania, to reduce its capital stock from \$175,000 to \$75,000, on condition that the bank will not in future reduce its surplus fund to less than 100% of its capital without the consent of the office of the Comptroller of the Currency.

Approved.

Memorandum by Mr. Smead dated October 31st, in re expenditures by the Federal Reserve Bank of Kansas City during the month of August, 1919, in connection with entertainments.

Referred to the Governor for report.

Memorandum by General Counsel dated October 31st, in re Board's quarters for the Statistical Division in the Southern Building.

Referred to the Chairman, Law Committee, for report.

Telegram from the Secretary, Federal Reserve Bank of Chicago, submitting discount rates as follows, effective Nov. 5th:

Member bank 15 day collateral notes secured by certificates of indebtedness, Liberty bonds and Victory notes; also on customers' notes secured in like manner.....	4-1/2%
EXCEPT on paper secured by 4-1/4% certificates, when rate shall be, for all maturities.....	4-1/4%
Member bank collateral notes secured by commercial paper, 15 days.....	4-1/2%
Notes, drafts and bills of exchange having maturity not in excess of 90 days secured by Liberty bonds, Victory notes and Treasury certificates..	4-1/2%
Rediscounts of notes, drafts and bills of exchange 15 day maturities.....	4-1/2%
Maturities, 16 to 90 days.....	4-3/4%
Agricultural paper, maturities 91 days to six months.	5-1/2%
Trade acceptances, all maturities.....	4-1/2%

Approved.

Application of Security Trust & Savings Bank, Los Angeles, California, for permission to establish a branch at 7th Street and Grand Avenue, Los Angeles, and to purchase the Hollywood National Bank and the Citizens Savings Bank of Hollywood, a suburb of Los Angeles, to be operated as branches, in connection with its application for membership in the System.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated Oct. 30th, recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated Nov. 4th, recommending action on applications for fiduciary powers as set forth in the auxiliary minute book as of this date.

Approved.

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Dated Nov. 4th, recommending approval of application of Maurice J. Curran to serve at the same time as a director of the National Shawmut Bank of Boston, Mass., and the Merchants Trust Company, Lawrence, Mass.

Approved.

Dated Nov. 4th, recommending approval of application of Daniel B. Wentz to serve at the same time as a director of the Franklin National Bank, and the Fidelity Trust Company, both of Philadelphia, Pa.

Approved.

Dated Nov. 4th, recommending approval of application of Joshua S. Reynolds to serve at the same time as a director of the First National Bank of Albuquerque, N.M., the First National Bank of El Paso, Texas, and the First National Bank of Las Vegas, N. M.

Approved.

Dated Nov. 1st, recommending approval of salaries for National Bank Examiners as follows:

	<u>Salary</u>
John A. Monroe,	\$2,700
Harold W. Black,	2,400

Approved.

Dated Oct. 30th, recommending increase in salary from \$3,300 to \$3,600 per annum for R. W. Byers as National Bank Examiner in the Second Federal Reserve District, effective November 1, 1919.

Approved.

Dated Nov. 4th, recommending appointment of Miss Edith Small as Comptometer Operator in the Division of Reports and Statistics at \$1,200 per annum, plus bonus of \$10 per month.

Approved.

Dated Nov. 4th, recommending employment of 35 additional money counters, to be assigned to the Redemption Division of the Office of Comptroller of the Currency, at not exceeding \$1,040 each per annum.

Approved.

At 12-40 P.M., the meeting adjourned.


Secretary.

Approved:


Governor