

At a meeting of the Federal Reserve Board held in the office of the Board on Friday, November 7, 1919, at 11 A.M.,

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

Minutes of the meetings of the Board held on November 6th were read, and on motion approved as amended.

(At this point Mr. Williams joined the meeting)

Business was presented and disposed of as follows:

telegram dated November 6th from the Oklahoma Clearing House Association in re submission of further data in connection with the proposed establishment of a branch of the Federal Reserve Bank of Kansas City.

The Governor submitted for approval, telegrams by him to the Oklahoma and Tulsa Clearing House Associations.  
Approved.

Letter dated November 7th from Alba B. Johnson, a director of the Federal Reserve Bank of Philadelphia, advising that a committee of three members of the Board of Directors of that Bank had been appointed to consider personnel, and that the committee desired a conference with the Governor on November 14th.

Voted that the Governor be authorized to grant such hearing, and to report to the Board the result thereof.

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The Governor made a statement as to the general financial condition of the Country, with particular reference to the situation as it affects the Federal Reserve Bank of New York, and he thereupon

Moved, that in accordance with the provisions of Section 11(c) of the Federal Reserve Act, the Board suspend for a period not exceeding ten days, the reserve requirements of the Federal Reserve Bank of New York against deposits, effective today.

Mr. Williams moved to amend the Governor's motion to read:

"Moved, that the Governor be authorized, if the exigencies of the situation in his judgment seemed at any time to require such action at a time when it was impracticable to convene the Board for consideration of the question, to suspend the reserve requirements of the Federal Reserve Bank of New York as to deposits for a period of ten days, or such shorter time as may be deemed necessary to meet the situation."

Mr. Miller moved to amend Mr. Williams' motion by moving that the Board be constantly in session, or in recess subject to call by the Governor.

Mr. Miller's motion was lost.

Thereupon, Mr. Williams' motion was put and carried, Mr. Miller requesting that he be recorded as voting in the negative, and stating that he would submit to the Board for insertion in the record, a memorandum on this subject.

The Governor read a letter from the Governor of the

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Federal Reserve Bank of New York dated November 6th, with respect to credit conditions in the Second Federal Reserve District.

The Governor read a letter from the Governor of the Federal Reserve Bank of New York dated November 6th, in re rates charged by member banks to their customers for carrying Liberty bonds.

The Governor read a letter addressed to him under date of November 5th from the Secretary of the Treasury with respect to the uses and abuses of the Federal Reserve System by member banks, and stating his views as to what should be the future policy of the Board in taking command of the financial situation of the Country, in view of the continuing withdrawal of the Treasury as a factor in the financial situation.

Voted that the letter of the Secretary of the Treasury be mimeographed, and that the Governor prepare and submit to the Board, draft of a letter to the Governors of all Federal Reserve banks, transmitting a copy of the Secretary's letter for the information and guidance of the Governors.

Memorandum by Mr. Paddock dated November 5th, reporting on progress of work in connection with examination of the Federal Reserve Bank of Richmond as of close of business Nov. 1st.

Noted.

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Telegram dated November 7th from the Chairman of the Federal Reserve Bank of Dallas, requesting approval of the establishment of changes in discount rates.

On motion duly seconded, it was voted that the Board approve the following schedule of discount rates for the Federal Reserve Bank of Dallas:

Member bank collateral notes, 15 days, secured by commercial paper.....	5%
Sixteen to 60 days.....	5%
Sixty one to 90 days.....	5%
Agricultural and live stock paper over 90 days...	5-1/4%
Member bank collateral notes secured by Treasury 4-1/4% certificates, 15 days.....	4-1/4%
Member bank collateral notes secured by Treasury 4-1/2% certificates, Liberty bonds or Victory notes, 15 days.....	4-1/2%
Commercial paper, 61 to 90 days.....	5%
Member bank 90 day notes, secured by Government obligations other than 4-1/4% certificates..	5%

Telegram dated November 6th from the Chairman, Federal Reserve Bank of San Francisco, requesting approval of the establishment of the following discount rates effective November 10th:

Maturities, 1 to 15 days.....	4-1/2%
"    16 to 90 days.....	5%
"    91 days to six months.....	5-1/2%
War Finance paper, usual advance of.....	1%

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Telegram dated November 7th from the Chairman,  
Federal Reserve Bank of Cleveland, requesting approval of  
the establishment of the following discount rates, effective  
November 10th:

Member bank collateral notes secured by Liberty bonds or Victory notes or by customers notes secured in like manner.....	4-3/4%
Secured by U.S.Treasury 4-1/2% certificates of indebtedness or by customers' notes secured in like manner.....	4-1/2%
Secured by U.S.Treasury 4-1/4% certificates of indebtedness or by customers' notes secured in like manner.....	4-1/4%
Secured by War Finance Corporation bonds...	5-3/4%
Secured by commercial paper.....	4-3/4%
Maturities, 1 to 90 days, secured by Liberty bonds or Victory notes.....	4-3/4%
Secured by Treasury certificates of indebt- edness of all issues.....	4-1/2%
Secured by War Finance Corporation bonds...	5-3/4%
Commercial paper.....	4-3/4%
Trade acceptances and bankers acceptances.....	4-1/2%
Agricultural or live stock paper maturing 1 to 90 days.....	4-3/4%
Maturing 91 days to six months.....	5-1/4%

Foregoing rates approved, subject to  
concurrence by the Treasury Department in  
rates shown affecting paper secured by  
Government obligations.

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The Governor read a letter addressed to the President by Senator Owen dated November 6th, requesting that a conference be held with representatives of the leading nations of Europe, in connection with stabilizing of international exchange.

Noted.

The Governor reported the purchase of special  $2\frac{1}{2}\%$  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. 6th	\$200,000

Approved.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him: member bank promissory notes secured by Government obligations, rate  $4-1/2\%$ , as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Nov. 6th	Philadelphia	Chicago	\$10,000,000	11-15 days

Noted.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business November 5th, and the status of rediscounts between Federal Reserve banks as of the same date.

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REPORTS OF COMMITTEE NO. 1:

- Dated Nov. 6th, recommending action on applications for fiduciary powers as set forth in the auxiliary minute book as of this date.  
Approved.
- Dated Nov. 6th, recommending approval of application of J. B. Bathgate to serve at the same time as a director of the Continental National Bank and the Stock yards National Bank, both of Kansas City, Mo.  
Approved.
- Dated Nov. 6th, recommending approval of application of S. K. Cooke to serve at the same time as an officer and director of the Columbia National Bank, and the Manufacturers and Mechanics Bank, both of Kansas City, Mo.  
Approved.
- Dated Nov. 6th, recommending approval of application of Solomon Stoddard to serve at the same time as a director of the Columbia National Bank, the Manufacturers & Mechanics Bank, and the Northeast Bank, all of Kansas City, Mo.  
Approved.
- Dated Nov. 6th, recommending approval of application of Napoleon W. Dible to serve at the same time as a director of the Columbia National Bank, and the Southeast State Bank, both of Kansas City, Mo.  
Approved.
- Dated Nov. 6th, recommending approval of application of Clement B. Newbold to serve at the same time as a director of the Central National Bank, and the Commercial Trust Company, both of Philadelphia, Pa.  
Approved.
- Dated Nov. 7th, 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.

At 1-25 P.M., the meeting adjourned.

W. T. Chapman  
Secretary.

Approved:

Francis  
Governor.