

At a meeting of the Federal Reserve Board held in the office of the Board on Friday, November 7, 1919, at 4-15 P.M.,

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

Business was presented and disposed of as follows:

The Governor referred to the action of the Board at its meeting this morning, at which it approved certain changes in discount rates of the Federal Reserve Banks of Dallas, Cleveland and San Francisco, subject to concurrence by the Treasury Department, and stated that after discussing the question with representatives of the Treasury Department he was requested to report that the Treasury Department was not in accord with the rates suggested and desired that the Board secure, if possible, uniform rates in all districts on paper secured by Government obligations. Thereupon, the Governor submitted for approval the following telegrams to the Federal Reserve Banks named:

"Dallas:

"Board thinks it important at present time to maintain rates uniform for all districts on loans and discounts secured by Government securities. Hence recommend for adoption and will approve following schedule:

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"Member banks fifteen day promissory notes four and a quarter on four and a quarter percent certificates of indebtedness; four and a half on other certificates of indebtedness; four and a half on U. S. Government bonds or Victory notes. Rediscounts running from one to ninety days secured by four and a quarter percent certificates four and a quarter percent; secured by four and a half percent certificates of indebtedness, U. S. Government bonds or Victory notes four and a half percent. On other loans and rediscounts Board approves schedule proposed by you which it understands to be as follows: Member banks fifteen day notes secured by eligible paper five percent; rediscounts of eligible paper all maturities up to ninety days five percent; Agricultural and live stock paper ninety one days to six months five and a quarter percent; trade acceptances and bankers acceptances five percent; War Finance paper one percent higher."

"Cleveland:

"Board thinks it important at present time to maintain rates uniform for all districts on loans and discounts secured by Government securities. Hence recommend for adoption and will approve following schedule:

"Member banks fifteen day promissory notes four and a quarter on four and a quarter percent certificates of indebtedness; four and a half on other certificates of indebtedness; four and a half on U. S. Government bonds or Victory notes. Rediscounts running from one to ninety days secured by four and a quarter percent certificates four and a quarter percent; secured by four and a half percent certificates of indebtedness, U.S. Government bonds or Victory notes four and a half percent. On other loans and rediscounts Board approves schedule proposed by you which it understands to be as follows: Member bank fifteen day notes secured by eligible paper, four and three quarters percent. Rediscounts of eligible paper any maturity within ninety days, four and three quarters percent; agricultural and live stock paper ninety one days to six months, five and a quarter percent; trade acceptances and bankers acceptances, four and a half percent; member banks promissory notes and rediscounts

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secured by War Finance Corporation bonds irrespective of maturities, five and three quarters percent."

"San Francisco:

"Board thinks it important at present time to maintain rates uniform for all districts on loans and discounts secured by Government securities. Hence recommend for adoption and will approve following schedule: Member banks fifteen day promissory notes, four and a quarter on four and a quarter percent certificates of indebtedness; four and a half on other certificates of indebtedness; four and a half percent on U.S. Government bonds or Victory notes. Rediscounts running from one to ninety days secured by four and a quarter percent certificates, four and a quarter percent; secured by four and a half percent certificates of indebtedness, U.S. Government bonds or Victory notes, four and a half percent. On other loans and rediscounts, Board approves schedule proposed by you, which it understands to be as follows: Member banks fifteen day notes secured by eligible paper, four and a half percent; secured by War Finance Corporation bonds, five and a half percent; rediscounts of eligible paper maturing within fifteen days, four and a half percent; sixteen to ninety days, five percent; agricultural and live stock paper ninety one days to six months, five and a half percent; War Finance Corporation paper one percent higher allowed. On full consideration of the subject, Board believes present time inopportune for entire removal of differential."

Approved.

(At this point Secretary Glass joined the meeting)

Telegram dated November 7th from the Chairman of the Federal Reserve Bank of Dallas, suggesting that it would not be wise to send to all member banks in his district, Board's letter No. X-1711 relating to counterfeiting of Federal Reserve notes.

Voted that the Governor advise Mr. Ramsey that he may exercise his discretion as to furnishing member banks with detailed information on this subject.

Telegram dated November 7th from the Chairman, Federal Reserve Bank of Dallas, requesting approval of payment of bonus to employees of that Bank on the following basis:

Salaries up to \$1,500 per annum.....	20%
Salaries above \$1,500 and up to \$3,000..	15%
Salaries above \$3,000 and under grade of Cashier, with usual equalizing adjustment.....	10%

Approved.

Letter to the Chairman, Federal Reserve Bank of Cleveland, dated November 5th, in re eligibility of certain notes drawn by automobile dealers and payable to the General Motors Acceptance Corporation.

Approved, subject to changes in form by Mr. Hamlin after consultation with General Counsel.

REPORTS OF COMMITTEE NO. 1:

Dated Nov. 6th, recommending action on application of A. A. Kramer to serve at the same time as a director of the Columbia National Bank, the Metropolitan Bank and the Union Avenue Bank of Commerce, all of Kansas City, Mo.

Approved, subject to review by Mr. Hamlin.

Dated Nov. 6th, recommending action on application of John E. Buckingham to serve at the same time as a director of the National Bank of Louisville, Ky., as President of the

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Paintsville National Bank of Paints-
ville, Ky., and President, First National
Bank of Jenkins, Ky.

Approved.

At 4-40 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.