

At a meeting of the Federal Reserve Board held in the office of the Board on Friday, November 14, 1919, at 11 A.M.,

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

Minutes of the meetings of the Board held November 13th were read, and on motion approved as amended.

Business was presented and disposed of as follows:

Memorandum by Mr. Hoxton of October 31st, recommending approval of letter to be sent to all Federal Reserve banks in regard to reports of conferences of Transit and Audit Managers held in June, 1919.

Approved.

Application of the Palmetto National Bank, Columbia, South Carolina, for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13.

Disapproved.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business November 12th, and the status of rediscounts between Federal Reserve banks as of the same date.

A discussion was then had as to the policy to be pursued in making rediscounts between Federal Reserve banks, and it was voted that where a Federal Reserve bank invests in paper owned by another Federal Reserve bank, such transfer of ownership shall be made without endorsement by the selling bank, but that where a Federal Reserve bank requests another Federal Reserve bank to rediscount paper for it in order to protect its reserve position, the bank requesting such rediscount shall transfer paper with its endorsement.

Letter dated November 11th from the Chairman, Federal Reserve Bank of Kansas City, explaining certain items of expense appearing in the August, 1919 accounts of that Bank. The Governor read reply by him under date of November 13th.

Noted.

Letter dated November 11th from the Chairman, Federal Reserve Bank of Cleveland, requesting approval of the payment of bonuses to employees of that Bank on the following basis:

Employees receiving \$1,500 or less per annum; 20% of salary payments received during year, exclusive of overtime compensation.

Employees receiving \$1,501 and not more than \$3,000 per annum; 15% of salary payments received during year, exclusive of overtime.

Officers and employees receiving more than \$3,000 per annum; 10% of the salary received during the year,

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exclusive of overtime compensation, provided that no bonus shall be paid to anyone receiving a yearly compensation of \$5,500 or more, and in case bonus and salary exceed this amount, the bonus shall be reduced to such extent that bonus and salary together shall not exceed \$5,500.

For purpose of adjusting inequalities, the maximum amount of bonus payable to each class under the above schedule shall be used as the minimum bonus to be paid to employees of the next higher class.

Approved.

Letter dated November 13th from the Deputy Governor, Federal Reserve Bank of New York, submitting names and salaries of persons employed at that Bank during October, 1919, at salaries in excess of \$2,400 per annum.

Noted.

REPORTS OF COMMITTEE NO. 1:

Dated Nov. 13th, recommending action on applications for fiduciary powers as set forth in the auxiliary minute book as of this date.
Approved.

Dated Nov. 14th, 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.

Other business was presented and disposed of as follows:

Letter of November 12th from the Chairman, Federal Reserve Bank of Chicago, recommending acceptance, in the

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form submitted, of notice of withdrawal from the Federal Reserve System of the Citizens State Savings Bank, Otsego, Michigan, dated April 10, 1919.

Approved.

Letter dated November 12th from the Chairman, Federal Reserve Bank of Chicago, requesting an expression of views of the Board in connection with the status of certain directors of the Illinois Trust & Savings Bank, the Merchants Loan & Trust Company, and the Corn Exchange National Bank, of Chicago, which institutions are expecting to consolidate.

Referred to Mr. Hamlin for report.

The Governor read report dated November 13th from Assistant Federal Reserve Agent Morgan in re conditions in the Second Federal Reserve District.

Letter dated November 11th from the Federal Reserve Agent at New York, requesting approval of the appointment of Mr. Francis Oakey as General Auditor at the Federal Reserve Bank of New York, at a salary of \$20,000 per annum.

Referred to the Governor for report.

Letter dated November 7th from Mr. J. P. Tumulty, Secretary to the President, transmitting letter addressed to the President by Senator Owen, requesting that a conference be held with representatives of the leading nations

of Europe, in connection with stabilizing of international exchange. Mr. Williams stated that this matter was one of great importance, and should have attention after the treaty of peace is disposed of.

Referred to the Governor for preparation of letter to the President, similar in form to letter addressed to the President on this subject by the Secretary of the Treasury under date of November 11th.

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


Secretary.

Approved:


Governor.