

At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, December 2, 1919, at 10-40 A.M.,

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

Business was presented and disposed of as follows:

The Governor stated that indications were that due to the rising prices of labor and materials, the costs of the projected new Federal Reserve bank buildings would be considerably in excess of the amounts originally estimated, and that the Board's Consulting Architect, together with the architect and contractor for the building for the Federal Reserve Bank of New York desire to present certain facts to the Board in connection with that building.

(Mr. Trowbridge, the Board's Consulting Architect, Mr. Sawyer, representing the architects of the New York bank building, and Mr. Eidlitz, the prospective general contractor for that building, then joined the meeting).

After making their several statements with respect to cost figures of constructing a building under the plans accepted by the Directors of the New York Bank, these gentlemen

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withdrew from the meeting, and general discussion ensued as to the wisdom of pursuing at this time the construction of new bank buildings by the Federal Reserve banks.

On motion duly seconded, it was voted that in view of present high construction costs and general conditions in the building trade, the Federal Reserve Board does not deem it wise for Federal Reserve Banks to erect at this time new bank buildings.

Voted further, that suitable announcement be made by the Governor, of the Board's policy in this respect and its reasons therefor.

(At this point the Chairman withdrew from the meeting)

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>
Richmond	Dec. 1st	\$200,000

Approved.

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

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<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Nov.26th	Philadelphia	Chicago	\$2,500,000	11-15 days
Nov.28th	Philadelphia...	(Chicago St.Louis	5,000,000 4,000,000	"
Dec.1st	Philadelphia	Chicago	10,000,000	"

Noted.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business November 29th, and the status of rediscounts between Federal Reserve banks as of the same date.

Letter dated November 28th from the Secretary, Federal Reserve Bank of Chicago, requesting approval of the recommendation of the Directors of that Bank that the sum of \$820,000 be charged off at the close of the present calendar year, to represent the appraised value of buildings on the site at corner of Jackson Boulevard and LaSalle Street, recently purchased by that Bank.

On motion duly seconded, it was voted that the Federal Reserve Bank of Chicago be authorized to charge off at the close of business December 31, 1919, \$500,000 against the value of buildings on the site at corner of Jackson Boulevard and LaSalle Street, recently purchased.

Letter dated November 15th from the Governor, Federal Reserve Bank of Kansas City, submitting for approval, schedule of extra compensation to be paid to employees of that Bank

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as of close of business December 31, 1919.

Referred to Governor for report.

Letter dated November 15th from the Chairman, Federal Reserve Bank of Richmond, submitting for approval, schedule of extra compensation to be paid to employees of that Bank as of close of business December 31, 1919.

Referred to Governor for report.

Letter dated November 28th from Consulting Architect Trowbridge, requesting an expression of the Board's views as to his furnishing to member banks, information in re vault construction, etc.

Referred to the Governor for reply.

Letter dated November 5th from Mr. Williams, requesting approval of an increase from \$1,440 per annum plus \$240 bonus, to \$1,800 plus \$240 bonus in the compensation of Mr. Harold Lee George, Stenographic Clerk assigned to his office.

Approved, Mr. Miller and Mr. Hamlin voting "No".

(See memoranda by Mr. Hamlin of Nov. 21st, and Mr. Harrison of Nov. 10th).

Memorandum by Mr. Emerson dated December 1st, recommending readjustment of the basis of distributing the expense of the Federal Reserve leased wire system on an actual per word basis.

Approved.

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Memorandum by Mr. Emerson dated December 1st, submitting for approval draft of letter to be sent to Chairmen of all Federal Reserve banks, to secure uniform information with regard to salary increases of officers and employees of such banks.

Approved.

Applications of the following banks for permission to accept drafts and bills of exchange up to 100% of their capital and surplus under the provisions of Section 13 of the Federal Reserve Act:

First and Old Detroit National Bank, Detroit,  
Mich.  
Atlanta National Bank, Atlanta, Ga.

Approved.

Application of the Merchants & Planters Bank of Mullins, South Carolina, for admission to the Federal Reserve System.

Referred to Governor for report.

REPORTS OF COMMITTEE NO. 1:

Dated Dec. 2d, 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 Nov. 29th, recommending changes in stock at Federal Reserve banks, as set forth in the auxiliary minute book as of this date.

Approved.

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Dated Nov. 29th, recommending action on applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.  
Approved.

Dated Dec. 1st, recommending action on application of John T. Burnett to serve at the same time as a director of the Federal Trust Company, Boston, Mass., and the Peoples National Bank, Marlborough, Mass.  
Approved.

Dated Dec. 1st, recommending action on application of Dwight W. Ellis to serve at the same time as a director of the Monson National Bank, Monson, Mass., and the Springfield Safe Deposit & Trust Company, Springfield, Mass.  
Approved.

Dated Dec. 1st, recommending action on application of George A. Newhall to serve at the same time as a director of the Bank of California, N. A., and the Savings Union Bank and Trust Company, San Francisco, Cal.  
Approved.

Dated Dec. 1st, recommending action on application of Walter Clothier to serve at the same time as a director of the Union National Bank, and the Logan Trust Company, both of Philadelphia, Pa.  
Approved.

Dated Dec. 1st, recommending action on application of William Maxwell to serve at the same time as a director of the Hartford-Connecticut Trust Company, Hartford, Conn., and the Rockville National Bank, Rockville, Conn.  
Approved.

Dated Dec. 1st, recommending action on application of James T. McMillan to serve at the same time as a director of the First and Old Detroit National Bank, the Union Trust Co., and the Peoples State Bank, all of Detroit, Mich.  
Approved as to first and second; refused as to third.

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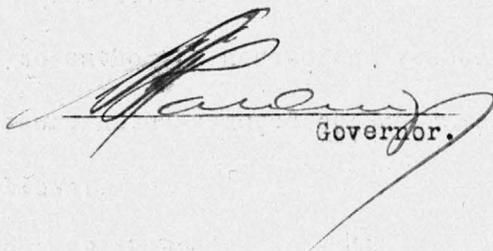
Memorandum by Mr. Paddock dated December 2d, recommending changes in personnel and salaries of the force of Federal Reserve Examiners incident to the resignation of Mr. John A. Will as Chief Federal Reserve Examiner in charge of the Western Force.

Referred to Executive Committee with power.

At 12-50 P.M., the meeting adjourned.

  
Secretary.

Approved:

  
Governor.