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Minutes of Federal Reserve Board

January - June

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At a meeting of the Federal Reserve Board held in the office of the Board on Friday, January 2, 1920, at 11 A.M.,

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

Minutes of meeting of the Board held December 31st were read, and on motion approved as amended.

Minutes of meeting of the Executive Committee held December 31st were read, and on motion approved as amended.

Business was presented and disposed of as follows:

On motion duly seconded, Mr. Moehlenpah was appointed a member of the Executive Committee to serve for the period January 2 to April 1, 1920.

On motion duly seconded it was voted to lay on the table the question of the election of directors of the Oklahoma Branch of the Federal Reserve Bank of Kansas City.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations, rate 4-1/2% on paper secured by certificates of indebtedness and 4-3/4% 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>
Dec.30th	Philadelphia	Chicago	\$7,000,000	11-15 days

Noted.

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Telegram dated December 31st from the Chairman, Federal Reserve Bank of San Francisco, suggesting that a sweeping cancellation of interlocking among bank directorates would be desirable in his district.

Referred to the Clayton Act Committee for report.

Letter dated December 17th from the Chairman, Federal Reserve Bank of Boston, with respect to the question of payment of interest on reserve balances of member banks held by reserve banks.

Ordered tabled pending submission of the Annual Report of the Board for the year 1919.

Memorandum by Mr. Emerson dated January 2d, recommending installation of lavatory accommodations in room 396, Treasury Building, at an estimated expenditure of \$154.50.

Approved.

Memorandum by Mr. Paddock dated January 2d, recommending action on recommendations of salary adjustments at the Federal Reserve Bank of Dallas and its branches, effective January 1, 1920.

Referred to the Governor for report.

Memorandum by Mr. Paddock dated January 2d, recommending action on recommendations of salary adjustments at the Federal Reserve Bank of Kansas City and its branches, effective January 1, 1920.



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Referred to the Governor with power.

Telegram dated December 31st from the Governor,  
Federal Reserve Bank of Kansas City, requesting approval  
of the following schedule of discount rates:

Paper secured by certificates of indebtedness. 4-3/4%  
Commercial paper, one to 90 days..... 5%  
Agricultural paper in excess of 90 days..... 5-1/2%  
Ninety one days to six months..... 6%

On motion duly seconded, the Governor was  
authorized to send to Mr. Miller the following  
telegram:

"In view of statements made your telegram  
December 31st, Board has approved rate of 4-3/4%  
on paper secured by certificates of indebtedness  
of all issues and for all maturities of paper.  
It will also approve rate of 5-1/2% for all paper,  
including acceptances, for all maturities under  
90 days and 6% for agricultural paper 91 days to  
six months."

Letter dated December 31st from the Governor, Fed-  
eral Reserve Bank of Richmond, requesting authority to add  
a sixth story to the proposed bank building for that Bank,  
at a cost of approximately \$75,000.

Approved.

Letter dated December 31st from the Chairman, Federal  
Reserve Bank of Boston, advising that he had been elected to  
serve on a committee to investigate certain allegations of  
C. H. Venner in connection with a suit instituted by him

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against the American Telephone & Telegraph Company, and requesting the Board's view as to the propriety of his serving in such capacity.

Referred to Mr. Hamlin for reply.

On motion duly seconded the Governor was authorized to make public figures prepared by the Board's Statistical Division, showing gold and silver imports into, and exports from the United States for the period January 1 to December 20, 1919.

Letter dated December 31st from Mr. L. B. Jackson, Director of the Georgia State Bureau of Markets, in re recommended preferential rate on paper secured by receipts for goods stored in special classes of warehouses.

Referred to the Governor for reply.

Letter dated December 30th from the Governor, Federal Reserve Bank of Boston, requesting that that Bank be authorized to proceed immediately to the prosecution of its plans for the construction of new banking quarters.

After full consideration, it was the consensus of opinion of the Board that an exception should be made in the case of the Federal Reserve Bank of Boston, and that unless the Governor should see reasons to the contrary on his approaching visit to Boston, that Bank should be permitted to proceed at once with the construction of new quarters.

Accordingly, on motion duly seconded, the question was referred to the Governor with full power.

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Letter dated December 31st from Mr. J. B. Forgan, President, Federal Advisory Council, enclosing copy of an article read by him at a meeting of the American Economic Association under the title "Prices and Banking Policy".

Ordered mimeographed and copies sent to all Federal Reserve banks.

Telegram dated January 2d from the Chairman, Federal Reserve Bank of Atlanta, advising of the election of Mr. Leon C. Simon as Class "B" Director of that Bank for the term ending December 31, 1920.

Noted.

Telegram dated January 2d from the Governor, Federal Reserve Bank of Atlanta, advising of the establishment by that Bank of rate of  $4-3/4\%$  on all certificates of indebtedness and trade acceptances, effective January 6th.

The Governor was authorized to send the following telegram in reply:

"Board approves your rate of  $4-3/4\%$  on paper secured by certificates of indebtedness of whatever issue and also trade acceptances effective January 6th. All other banks have either adopted similar rates or have given assurances of their adoption at directors meetings next week."

Telegram dated January 2d from the Chairman, Federal Reserve Bank of Boston, advising of the establishment by that Bank of rate of  $4-3/4\%$  on all loans secured by certificates



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of indebtedness of whatever issue and for all maturities.

Approved.

On motion duly seconded the Bulletin Committee was authorized to publish in the Federal Reserve Bulletin, figures so far developed as a result of its investigation of the changes in volume of the retail trade.

REPORTS OF COMMITTEE NO. 1:

Dated Jan. 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 Jan. 2d, recommending action on applications for fiduciary powers as set forth in the auxiliary minute book as of this date.

Approved.

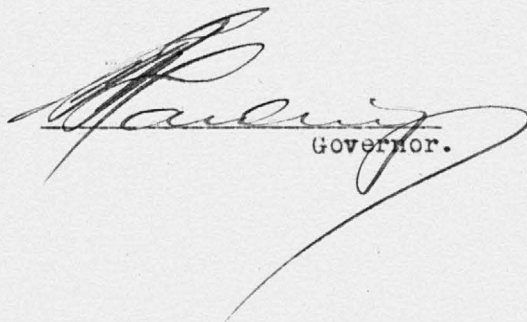
Dated Jan. 2d, recommending changes in stock at Federal Reserve banks, as set forth in the auxiliary minute book as of this date.

Approved.

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

  
Secretary.

Approved:

  
Governor.