

At a meeting of the Federal Reserve Board held in the office of the Board on Wednesday, January 7, 1920, at 11 A.M.,

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

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

Business was presented and disposed of as follows:

The Governor submitted for approval the following telegram to be addressed by him to the Chairmen of all Federal Reserve banks:

"Board's recent announcements regarding ability of Federal Reserve System to exercise better control of credits in view of completion of Treasury financing were based upon assumption that the new Treasury certificates bearing four and three-quarters percent interest would be subscribed for liberally. So far subscriptions have not been received in satisfactory volume except from New York, which has done more than its part, and in order that we may reach a position where we can act independently in using rates as an adjunct to credit control, it is absolutely necessary that the present offering of certificates meet satisfactory reception. Board therefore hopes that you will make vigorous efforts to place your accustomed quota of certificates in your district basing these efforts not only on the desire to help the Treasury complete its program but also to assist the Federal reserve system in freeing itself from the Treasury as an important factor in the money market. This issue must be made a success and this means that your bank will have to do its part either directly or indirectly.

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Reports of yesterday's proceedings should not be taken as indicating that a further advance in rates on paper secured by Treasury certificates is now in contemplation. The foregoing is for your confidential information only and is not for publication. In corresponding with your member banks it would be well to call attention to the fact that the issue of certificates due January 15th amounts to \$370,000,000 and the issue due February 2d amounts to \$428,000,000. Both these issues aggregating approximately \$800,000,000 were well distributed and their retirement should create easy money conditions in your district. It seems therefore that banks can well afford to subscribe liberally to the new offering at four and three-quarters percent."

Approved.

(At this point the Governor withdrew from the meeting and Mr. Strauss took the chair)

Memorandum by General Counsel dated January 5th in re practice of national bank examiners in passing as eligible paper, notes secured by warehouse receipts covering automobiles.

Voted that the Comptroller of the Currency be furnished with a copy of the Board's ruling in this connection with the request that he bring same to the attention of national bank examiners.

Mr. Williams stated that he would be very glad to comply with the Board's request.

Telegram dated January 7th from the Chairman, Federal Reserve Bank of San Francisco, requesting approval of the establishment of a rate of 4-3/4% on all classes of paper running from one to 90 days, effective January 12, 1920.

Approved.

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REPORTS OF COMMITTEE NO. 1:

Dated January 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.

Other business was presented and disposed of as follows:

Letter dated January 3d from the Director, Division of Analysis and Research, recommending the appointment of the following clerks in that Division for a period of sixty days at salaries at the rate of \$1,200 per annum:

J. M. Chapman
Miss A. L. Smyth
Miss Myrtle Powell

Approved.

(At this point the Governor rejoined the meeting and took the chair)

Letter dated January 2d from the Federal Reserve Agent at Minneapolis, submitting an analysis of the Federal Reserve note situation and credit conditions in the Ninth Federal Reserve District.

Noted.

Letter dated December 30th from the Chairman, Federal Reserve Bank of San Francisco, advising that on December 24th the first \$350,000 was paid into the funds of the Scandinavian-

American Bank of Seattle.

Noted.

Letter dated January 3d from the Federal Reserve Agent at Philadelphia, submitting for approval, schedule of salaries of officers and employees of the Federal Reserve Agent's Department of that Bank, effective January 1, 1920.

Approved.

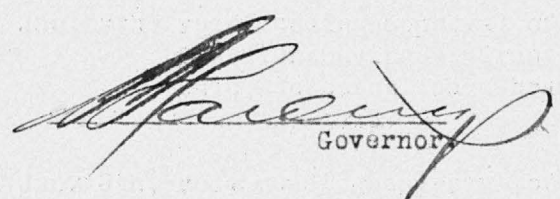
Letter dated January 5th from the Governor, Federal Reserve Bank of Philadelphia, submitting for approval schedule of salaries of officers and employees of that Bank, effective January 1, 1920.

Approved.

At 1-05 P.M., the meeting adjourned.


Secretary.

Approved:


Governor