

At a meeting of the Federal Reserve Board held in the office of the Board on Thursday, January 29, 1920, at 11 A.M.,

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

PRESENT ALSO:  
 Mr. Hoxton, Executive Secretary.

Minutes of meeting of the Board held January 28th were read, and on motion approved.

Business was presented and disposed of as follows:

Telegram dated January 28th from the Chairman, Federal Reserve Bank of San Francisco, requesting approval of the following schedule of discount rates:

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|--|--------|
| Bills maturing one to 90 days when secured<br>by certificates of indebtedness..... | 4-3/4% |
| Secured by Liberty bonds and Victory<br>notes.....                                 | 5-1/2% |
| Otherwise secured or unsecured.....  | 5-1/2% |
| Agricultural paper, one to 90 days.....  | 5-1/2% |
| 91 to 180 days.....  | 6%     |
| Disapproved.   |        |

On motion duly seconded, it was voted to establish the following discount rates for the Federal Reserve Bank of San Francisco, to become effective upon announcement by the Federal Reserve Bank of San Francisco not later than February 3d:

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|---|--------|
| Discounted bills maturing within 90 days,<br>including member banks 15 day collateral<br>notes secured by Treasury certificates<br>of indebtedness..... | 4-3/4% |
| Secured by Liberty bonds and Victory<br>notes.....  | 5-1/2% |
| Otherwise secured and unsecured.....  | 6%     |
| Bankers acceptances discounted for member<br>banks.....   | 5%     |
| Trade acceptances maturing within 90 days...  | 6%     |
| Agricultural and livestock paper maturing<br>91 to 180 days.....  | 6%     |
| Notes secured by War Finance Corporation<br>bonds.....  | 7%     |

The Governor stated that under date of January 27th the Federal Reserve Bank of Cleveland had requested the Board to establish for that Bank, effective January 28th, discount rates similar to those approved by the Board for the Federal Reserve Bank of New York on January 21st, and that he had notified the Federal Reserve Bank of Cleveland that the Board approved this request.

On motion duly seconded, the action of the Governor was ratified.

Letter dated January 22d from the Chairman, Federal Reserve Bank of New York, requesting approval of the appointment of Mr. Carl Snyder as Manager of the Statistics

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and Information Department of the Federal Reserve Bank of New York at a salary of \$10,000 per annum.

Approved.

Letter dated January 26th from the Chairman, Federal Reserve Bank of New York, submitting report on business of that Bank for the month of December, 1919.

Ordered circulated.

Memorandum dated January 27th by Mr. Hoxton, in re protest of banks at Fort Worth, Texas, against the discontinuance of the District Clearing House plan in operation in the Eleventh Federal Reserve District, heretofore ordered by the Board to be abolished, effective February 10th:

Voted that effective date of the abolition of the District Clearing House plan in the Eleventh District be postponed from February 10th to March 1, 1920.

Ordered that Mr. Hoxton's memorandum of January 27th be mimeographed and that a copy be furnished to each member of the Board.

Letter dated January 21st and telegram of January 28th from the Chairman, Federal Reserve Bank of Dallas, requesting that the Board grant a hearing to certain Texas bankers who desire to protest against the method of calculating reserves heretofore approved by the Board to become effective February 12th.



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Referred to the Governor with power.

Letter dated January 26th from the Chairman, Federal Reserve Bank of Philadelphia, submitting Annual Report of the operations of that Bank for the year 1919.

Ordered circulated.

Letter dated January 28th, addressed by Mr. Moehlenpah to Mr. D. E. Waggoner, President, The Security National Bank, Dallas, Texas, in response to suggestion of a proposed amendment to the Federal Reserve Act, guaranteeing non-interest bearing deposits of member banks.

Noted.

Letter dated January 26th from Mr. W. S. Kies of Aldred & Company, New York City, submitting memoranda in connection with his suggestion that securities to be issued by corporations organized under the Edge Bill be made partially tax exempt.

Ordered circulated.

REPORTS OF COMMITTEE NO. 1:

Dated Jan. 28th, recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated Jan. 29th, recommending approval of applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

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Other business was presented and disposed of as follows:

The Governor stated that it was expected that the Federal Reserve Bank of New York would lose heavily in today's settlement, and that it might be necessary to negotiate for that Bank a large rediscount operation.

Voted that the Governor be authorized to take such action as may be deemed necessary.

Mr. Strauss reported that upon investigation he had learned that proper steps had already been taken to furnish to the Treasurer of the United States Shipping Board the information requested by that official in his letter to the Governor of January 26th, which was referred to Mr. Strauss for reply, at the meeting of the Board held yesterday.

Mr. Hamlin, the Chairman of the committee appointed to nominate a director on behalf of the Board on the Board of Directors of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City, reported that a very thorough canvas of the situation had been made, and nominated Mr. E.K. Thurmond, prominently connected with banking interests in the State of Oklahoma, as such director.

On motion duly seconded, the nomination of Mr. Thurmond was confirmed.

The Vice-Governor stated that Mr. William Mee had

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signified his willingness to accept office as a director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City.


On motion, duly seconded, the appointment of Mr. William Mee as such director was confirmed.

On motion duly seconded, the Governor was authorized to engage the services of a first class male stenographer qualified to act as substitute secretary to members of the Federal Reserve Board, at an annual salary of \$2,000 per annum.

At 1-15 P.M., the meeting adjourned.

  
Secretary.

Approved:

  
Governor.