

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

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

Minutes of meetings of the Board held on February 6th and 9th were read, and on motion approved.

Minutes of meeting of the Executive Committee held February 7th were read, and on motion approved.

Business was presented and disposed of as follows:

The Governor stated that he was receiving daily communications from persons throughout the Country criticizing the Board's action in raising discount rates, etc., and called attention to a recent statement appearing in a Chicago newspaper referring to a private publication as the official organ of the Federal Reserve Board. He added that in view of the extraordinary influence had by action taken by the Board upon the public welfare at the present time, it was highly important that the public recognize a distinction as between utterances of members of the Board and of the Board itself.

Accordingly, it was understood and agreed that hereafter, the Federal Reserve Bulletin carry in a conspicuous place a statement to the effect that the Bulletin is the only official organ of the Federal Reserve Board.

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It was further understood and agreed that the Governor be held responsible for the release of all statements to the press, and that no member, officer or employee of the Board would be expected or permitted to make comment to newspaper representatives in any way, shape or form upon the Board's business.

On motion duly seconded, the Governor was authorized to instruct all Federal Reserve Agents that in submitting for the consideration of the Board recommended changes in discount rates, the messages communicating such recommendations be expressed in the discount rate code heretofore approved by the Board. The Governor was also authorized to arrange for the installation in the office of the Secretary of a suitable telephone booth.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations, rate 4-3/4%, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Feb.6th	Philadelphia	Cleveland	\$3,600,000	11-15 days

Noted.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations, rate 4-3/4% on paper secured by certificates of indebtedness, and 5-1/2% on

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paper secured by Liberty bonds or Victory notes, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Feb. 9th	Philadelphia...	(Chicago	\$6,000,000	11-15 days
)Atlanta	5,000,000	"
		(Dallas	5,000,000	"

Noted.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business February 9th, and the status of rediscounts between Federal Reserve banks as of the same date.

Letter dated February 2d from the Director, Division of Analysis and Research, with respect to the method of passing upon drafts of annual reports of Federal Reserve banks.

Voted that in future, such reports, after review by members of the Board, be transmitted to the Director, Division of Analysis and Research, for review and forwarding with advice of approval or disapproval thereof by the Board.

Reports of discount rates at Federal Reserve banks; no changes recommended.

Noted.

Letter dated January 29th from the Chairman, Federal Reserve Bank of San Francisco, commenting upon the discount rate policy of that Bank.

Noted.

Request of the Asia Banking Corporation that its agree-

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ment with the Board be amended to provide that the aggregate of its acceptances outstanding, plus the total of all deposits held, whether foreign or domestic, shall not exceed twelve times the amount of its subscribed capital and surplus, instead of six times as heretofore, except with the approval of the Federal Reserve Board.

Letter Approved.

Memorandum dated January 28th by Mr. Moehlenpah, submitting synopsis of replies received to the Board's letter of January 12th in re use of the System by eligible non-member banks.

Ordered circulated.

Letter dated February 5th from the Chairman, Federal Reserve Bank of New York, with respect to the character of statements filed with that Bank by certain private banking institutions in New York City in order to make their paper eligible for rediscount by the Bank. The Governor stated that he would take up with Mr. Jay the question of securing from institutions now filing oral statements, statements in more permanent form. X

Memorandum dated January 31st by General Counsel, in re preferential rates on paper secured by receipts of bonded warehouses.

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Ordered circulated, and docketed for the meeting of the Board to be held on Tuesday, February 17th.

Application of the Bank of Santa Maria, Santa Maria, California, a member bank, for permission to establish a branch at Orcutt, California.

Approved.

Letter dated February 6th from Assistant Federal Reserve Agent at Cleveland, advising that the Citizens Trust and Savings Bank, Columbus, Ohio, a member bank, has acquired the assets of the Lincoln Savings Bank of Columbus, Ohio, and desires permission to operate same as a branch.

Approved.

Letter dated February 4th from the Assistant Federal Reserve Agent at Dallas, submitting supplemental statistics bearing upon the operations of that Bank for the calendar year 1919.

Referred to the Statistical Division for verification.

Letter dated February 5th from the Chairman, Federal Reserve Bank of Chicago, suggesting that the Governor address a letter to the Superintendent of Banks, State of Michigan, expressing the Board's appreciation of his cooperation in increasing membership of State banks in the Federal Reserve System.

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Voted that the Governor be authorized to transmit appropriate letter.

Memorandum dated January 30th by Mr. Smead, requesting an expression of the Board's approval or disapproval of the following items appearing on the December earnings and expense reports of Federal Reserve banks:

EXPENSES:

St. Louis, Memphis Branch:

"Luncheon, conference officers and managers, \$28.35".

Minneapolis:

"See Governor Young's letter of Jan. 2, 1920, \$32.45".

Kansas City:

"J.Z. Miller, Jr., (see special letter) \$1,118.74".

EARNINGS:

Minneapolis:

"Protest fees, \$184.95".

Voted that no objection be made to the items.

REPORTS OF COMMITTEE NO. 1:

Dated Feb. 11th, 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 Feb. 10th, 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 Feb. 10th, recommending approval of application for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated Feb. 10th, Recommending approval of application of Carl J. Schmidlapp to serve at the same time as Vice-President and Director of the Chase National Bank of New York City, and as Director of the Union Savings Bank & Trust Company, Cincinnati, Ohio.

Approved.

Dated Feb. 10th, recommending approval of application of Michael W. Waldorf to serve at the same time as a director of the First National Bank, and as Vice-President and director of the Twin City State Bank, both of St. Paul, Minnesota.

Approved.

Dated Feb. 10th, recommending disapproval of application of F. W. Bradley to serve at the same time as a director of the Mercantile National Bank, and of the Savings Union Bank & Trust Company, both of San Francisco, Cal.; also as a director of the First National Bank, Juneau, Alaska.

Recommendation approved.

Dated Feb. 10th, recommending approval of application of Charles J. Rhoads to serve at the same time as Director and President, Central National Bank, as Manager of the Girard Trust Company, and as Director of the Provident Life & Trust Company, all of Philadelphia, Pa.

Approved, subject to reversal in case changing conditions so require.

Dated Feb. 10th, recommending approval of application of Staughton B. Lynd to serve at the same time as a director of the Citizens Union National Bank, and of the Fidelity & Columbia Trust Co., both of Louisville, Ky.; also of the Industrial Bank of New York City.

Approved, upon condition that Mr. Lynd either withdraw from Citizens Union 4th Street Bank, Louisville, Ky., or file petition with Board.

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Dated Jan. 31st, submitting resignation of Louise E. Peiffer as Stenographer on the Board's staff, effective at close of business January 31, 1920.
Accepted.

Dated Feb. 10th, recommending the employment of Ulysses S. Rogers as Messenger on the Board's staff for a probationary period of one month, at the rate of \$840 per annum, with the understanding that in case his services are found satisfactory he be given a permanent appointment at \$840 per annum, plus \$240 bonus.
Approved.

Dated Feb. 10th, recommending the temporary employment of 25 additional money counters at \$1,040 each per annum, to be detailed to the National Bank Redemption Agency, Treasury Department.
Approved.

Dated Feb. 9th, submitting resignations of the following Counter Clerks on the Board's staff, at \$1,040 each per annum, effective as indicated:

	<u>Effective Date</u>
Nancy J. Estes,	Feb. 6, 1920
Althea Evans,	Feb. 9, 1920

Accepted.

Other business was presented and disposed of as follows:

Letter dated February 5th from the Governor, Federal Reserve Bank of San Francisco, stating that in view of the present conditions in the steel market and the possibility of great delay in having orders for steel filled, he desired to place an order now for the structural steel to be used in

the new bank building of the Federal Reserve Bank of San Francisco.

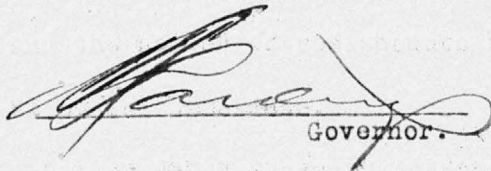
Voted that the Governor be authorized to inform the Governor, Federal Reserve Bank of San Francisco, that the Board has no objection to his inviting bids and letting contracts for the structural steel to be used in the new bank building to be erected by that Bank.

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



Secretary.

Approved:



Governor.