

At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, February 24, 1920, at 2-15 P.M.,

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

PRESENT ALSO:
Mr. J. Z. Miller, jr., Governor,
Federal Reserve Bank of Kansas City.

Minutes of meeting of the Board held February 20th were read, and on motion approved as amended.

Business was presented and disposed of as follows:

(At this point Mr. J. Z. Miller joined the meeting and submitted resolution adopted by the Board of Directors of the Federal Reserve Bank of Kansas City on January 22d, directing him to place before the Federal Reserve Board the great necessity for beginning construction of the proposed new bank building for that Bank at the earliest possible moment, and thereupon withdrew from the meeting).

Memorandum by Mr. Hoxton dated February 20th, submitting for approval, proposed inter-Federal Reserve district time schedule, and letter of transmission to be sent to the Governors of all Federal Reserve banks.

Approved.

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On motion duly seconded it was voted that in order to prevent any possible misconstruction of the attitude of the Board in connection with the par point campaign, the State Bank Membership Committee of the Board be instructed that for the time being the Board desires that it discontinue its activities, and to leave in the hands of the Federal Reserve banks themselves the matter of procuring additional State bank members.

The Governor reported that he had given consideration to the question of the proper charges to be imposed by member banks on their customers as contemplated by Section 16 of the Federal Reserve Act, and requested approval of the transmission by him to all Federal Reserve banks of a letter advising them that the Board is prepared to approve such charges on the basis of interest at the rate of 6% per annum for the actual time in transit of the item on which charges are imposed, basing time schedule on the State basis.

Approved.

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Memorandum by Mr. Emerson dated February 16th, suggesting action to be taken in furtherance of a par point campaign in the 9th and 12th Federal Reserve districts.

Ordered tabled.

Telegram dated February 20th from the Chairman, Federal Reserve Bank of Dallas, recommending the appointment of Mr. R. M. Farrar, President of the National Bank of Commerce, Dallas, Texas, as a director of the Houston Branch of the Federal Reserve Bank of Dallas for the unexpired portion of the term of Mr. J. C. Chidsey, resigned.

Approved.

The Governor stated that it was customary for the Board to make four calls for reports of condition of State member banks during each calendar year, and that it was the wish of the Board's Statistician that the call heretofore made during March be not made this year by reason of pressure of business in the Statistical Department, such call to be deferred until May, 1920.

Referred to Committee on Reports and Statistics for report.

Letter dated February 19th from the Chairman, Federal Reserve Bank of Atlanta, transmitting resolution of the directors of that Bank to the effect that it is their opinion

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that now is the proper time to put into effect that part of Section 16 with reference to charges that member banks may impose upon their customers on out of town checks cleared through the Federal Reserve bank.

Noted.

Letter dated February 16th from the Chairman, Federal Reserve Bank of Dallas, recommending the establishment of certain collection agencies in the 11th Federal Reserve district.

Referred to the Executive Secretary for report and recommendation.

Letter dated February 17th from the Chairman, Federal Reserve Bank of Dallas, requesting approval of increases in salaries of employees of the transit department of that Bank, as per lists submitted.

Approved.

Letter dated February 16th from the Chairman, Federal Reserve Bank of Dallas, requesting approval of the following appointments at that Bank and its Houston and El Paso Branches:

Federal Reserve Bank of Dallas:

	<u>Position</u>	<u>Salary</u>
Mr. Sam R. Lawder,	Cashier,	\$7,500
Mr. Lynn P. Talley,	Deputy Governor,	10,000
Mr. C.C.Christilles,	Stenographer,	\$125 per month

Houston Branch:

Mr. E.F. Gossett,	Manager,	\$5,400
Mr. Paul S. Miller,	Cashier,	4,000
Mr. J.H. Niendorff,	Asst. F.R. Agent,	3,300

El Paso Branch:

Mr. R. L. King,	Asst. F.R. Agent,	2,700
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Approved.

Letter dated February 10th from Mr. F. W. Fleming, a director of the Federal Reserve Bank of Kansas City, advising that he had been requested to accept appointment on the Board of Education of the City of Kansas City, Missouri, and desired advice as to whether or not service by him on that Board would be incompatible with the Board's policy as set forth in its circular No. 21 of 1915.

Voted that no objection be raised to such service by Mr. Fleming.

Letter dated February 19th from the Chairman, Federal Reserve Bank of Boston, in response to the Board's request for explanation of the increased demand for Federal Reserve notes in the First Federal Reserve District.

Noted.

Memorandum by Mr. Emerson dated February 18th, commenting upon the language bearing on fiscal agency operations of Federal Reserve banks contained in a booklet issued by the Federal Reserve Bank of Chicago.

Referred to the Governor with power.

Replies received from the several Federal Reserve banks to the Board's letter (X-1825) of February 7th, in re purchases of bills from accepting banks.

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Voted that the Governor be authorized to issue instructions to all Federal Reserve banks to charge the commercial rate for the rediscount of bills purchased direct from a member bank, for its own unindorsed acceptance.

Application of the Industrial Bank of New York City, for admission to the Federal Reserve System.

Ordered circulated and docketed for meeting of the Board to be held on Thursday, February 26th.

REPORTS OF COMMITTEE NO. 1:

Dated Feb. 21st, recommending changes in stock at Federal Reserve banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated Feb. 24th, recommending appointment of A. W. Dunn as Telegraph Operator in the Board's telegraph office at \$150 per month, effective February 24, 1920, to fill position previously authorized.

Noted.

Dated Feb. 21st, recommending appointment of F. L. Watkins as Messenger in the Board's Division of Reports and Statistics, at a salary of \$70 per month plus bonus of \$10 per month, with the understanding that in case his services are satisfactory during a probationary period of two months, he be given a permanent appointment, with an increase of bonus to \$20 per month.

Approved.

Dated Feb. 20th, submitting resignation of Sallie Hulvey as Clerk Counter at \$1,040 per annum on duty in the National Bank Redemption Agency, effective at close of business February 21, 1920.

Accepted.

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Dated Feb. 19th, recommending increase in salary of Mr. Lloyd R. Freeman as National Bank Examiner in the 2d Federal Reserve District from \$4,200 to \$4,500 per annum, effective March 1, 1920.

Approved.

Dated Feb. 17th, recommending increase in salary of Mr. Raby L. Hopkins as National Bank Examiner in the 12th Federal Reserve District from \$4,200 to \$4,800 per annum, effective March 1, 1920.

Approved.

Other business was presented and disposed of as follows:

Letter dated February 20th from the Chairman, Federal Reserve Bank of New York, requesting that the Board permit that Bank to subscribe for 75 to 100 additional copies of the Federal Reserve Bulletin, such copies to be sent to eligible non-member banks.

Voted that the request be denied, in view of the Board's action today in suspending active campaigns for additional State bank membership.

Letter dated February 20th from the Chairman, Federal Reserve Bank of Dallas, requesting approval of increase in salary of Mr. Carl B. Teagarden, Assistant General Auditor at that Bank, from \$3,600 to \$4,000 per annum.

Approved.

Letter dated February 20th from the Chairman, Federal

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Reserve Bank of Dallas, requesting approval of increase in the salary of Mr. W. J. Evans of the Bureau of Analysis, Statistics and Reports of that Bank, from \$3,600 to \$4,500 per annum.

Approved.

At 4-30 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.