

At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, April 6, 1920, at 11 A.M.,

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

Minutes of meeting of the Board held April 2d were read, and on motion approved.

Minutes of meeting of the Board held April 5th were read, and on motion approved as amended.

Business was presented and disposed of as follows:

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

<u>Date</u>	<u>Bank Rediscounting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
April 3d	Chicago	New York	\$5,000,000	Within 15 days
April 3d	St. Louis	New York	5,000,000	"

Noted.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business April 3d, and the status of rediscounts between Federal Reserve Banks as of the same date.

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On motion duly seconded, it was voted that the by-laws of the Federal Reserve Board be revised to read as follows:

BY-LAWS OF THE FEDERAL RESERVE BOARD
Article I

The Chairman.

The Secretary of the Treasury, as Chairman of the Board, shall preside at all meetings when present. In the absence of the Chairman, the Governor shall act as presiding officer. In the absence of both the Chairman and the Governor, the Vice-Governor shall preside, and in the absence of all three such officers, the remaining member of the Executive Committee shall preside.

Article II

The Governor.

Section 1. The Governor of the Federal Reserve Board shall be the active executive officer thereof; subject, however, to the supervision of the Board and to such rules and regulations as may be incorporated herein or may from time to time, by resolution, be established.

Section 2. The Governor shall have general charge of all executive business of the Board not specifically assigned by resolution to any individual member or committee thereof.

Section 3. It shall be the duty of the Governor to oversee and control the submission of statements to the press expressive of the Board's policy or descriptive of its action.

Article III

The Vice-Governor

Section 1. In the absence or disability of the Governor, his powers shall be exercised and his duties discharged by the Vice-Governor, and in the absence or disability of both of these officers, such powers shall be exercised and such duties discharged by the remaining member of the Executive Committee.

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Section 2. It shall be the duty of the Vice-Governor to cooperate with the Governor in the administration of the executive business of the Board.

Article IV

The Executive Committee.

Section 1. There shall be an Executive Committee of the Board consisting of three members, which shall include the Governor and Vice-Governor and one other. The third member shall be nominated and elected at a regular meeting of the Board. Members of the Board shall serve as far as practicable in rotation and for periods to be fixed by the Board from time to time. Two members shall constitute a quorum for the transaction of business.

Section 2. It shall be the duty of the Executive Committee of the Board to transact all business of an administrative nature which can be transacted in accordance with principles or policies already established by the Board, and such as may be delegated to it from time to time; to review and approve important correspondence involving the expression of opinions or decisions of the Board, and to prepare and make recommendations governing the conduct of the Board's business.

Article V

The Secretary and Assistant Secretaries

Section 1. The Board shall appoint a Secretary and one or more Assistant Secretaries.

Section 2. The Secretary or one of the Assistant Secretaries shall attend each meeting of the Board and shall keep an accurate record of its proceedings. The Secretary shall assist the Governor and members of the Board in the administration of the general business and in conducting the general correspondence of the Board. Under the direction of the Governor, he shall have general supervision of all employees of the Board, except the staff of members of the Board and Counsel. The Secretary shall perform such other duties as may be assigned to him from time to time by the Board.

Section 3. The Secretary shall have custody of the seal, and, acting under the authority of the Board, shall have power to affix the same to all instruments requiring it. Such instruments shall be attested by the Secretary.

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Section 4. The Assistant Secretary designated by the Board or by the Secretary shall exercise the powers and discharge the duties of the Secretary in his absence or disability. The Assistant Secretaries shall perform such other duties as may be assigned to them from time to time by the Board or by the Secretary of the Board.

Article VI

Executive Secretary.

Section 1. The Board may appoint an Executive Secretary.

Section 2. The Executive Secretary shall perform such duties as may be assigned to him by the Board and shall assist the Governor as directed by him.

Article VII

The Fiscal Agent and Deputy Fiscal Agent

Section 1. The Board shall appoint a Fiscal Agent and a Deputy Fiscal Agent. The duty of the Fiscal Agent shall be to collect and deposit all moneys receivable by the Board with the Treasurer of the United States, to be placed in a special fund established on the books of the Treasurer for the Federal Reserve Board. The Deputy Fiscal Agent shall perform the duties of the Fiscal Agent during his absence or disability.

Section 2. The Fiscal Agent and Deputy Fiscal Agent shall each execute a separate bond with surety satisfactory to the Board.

Section 3. Payments of expenses and other disbursements of the Board shall be made by the Fiscal Agent upon proper vouchers out of moneys advanced to him by requisition and warrant out of the special fund and placed to his official credit with the Treasurer of the United States as provided by Section 5 of this Article. In the absence of the Fiscal Agent payment of expenses and other disbursements shall be made by the Deputy Fiscal Agent upon proper vouchers out of moneys advanced to the Fiscal Agent by requisition and warrant out of the special fund and placed to his official credit with the Treasurer of the United States as provided by Sections 5 and 6 of this Article.

Section 4. The Fiscal Agent shall prepare a quarterly account in such form as shall be approved by the Comptroller of

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the Treasury and, after approval by the Governor, such quarterly account shall be submitted to the Auditor for the State and other departments. Such account shall cover payments of expenses and other disbursements made by both the Fiscal Agent and the Deputy Fiscal Agent.

Section 5. The Governor shall, when necessary, make requisition on the Treasurer of the United States for the advance of such sums to the Fiscal Agent as may be necessary from the Federal Reserve Board fund.

Section 6. The Deputy Fiscal Agent in making disbursements of the Board upon proper vouchers out of the moneys advanced to the Fiscal Agent shall sign against funds to the official credit of the Fiscal Agent with the Treasurer of the United States in the name of the Fiscal Agent by himself as Deputy Fiscal Agent.

Article VIII

Gold Settlement Fund and Federal Reserve Agent's Fund

All funds deposited by or for account of the respective Federal Reserve Agents in the Federal Reserve Agent's fund of the Federal Reserve Board and all funds deposited by or for account of the respective Federal Reserve Banks in the Gold Settlement Fund of the Federal Reserve Board shall be held on deposit with the Treasurer of the United States and shall be subject to withdrawal only by check of the Federal Reserve Board signed by its Secretary or an Assistant Secretary and countersigned by the Governor, Vice-Governor, or the remaining member of the Executive Committee. In the absence of the Governor, Vice-Governor, and remaining member of the Executive Committee such checks shall be countersigned by the senior member of the Board present.

Article IX

Requisition for Delivery of Federal Reserve Notes.

Requisitions upon the Comptroller of the Currency for the delivery of Federal Reserve notes to the respective Federal Reserve agents shall be signed by the Secretary or an Assistant Secretary and countersigned by the Governor or Vice-Governor. In the absence of both the Governor and the Vice-Governor, the power shall rest in the remaining member of the Executive Committee. In the absence of all three of these officers, the senior member of the Board present shall be authorized to countersign.

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Article X

The Seal

The following is an impression of the seal adopted by the Board:

(SEAL)

Article XI

Counsel

Section 1. The Board shall appoint a General Counsel whose duty it shall be to advise with the Board, or any member thereof, as to such legal questions as may arise in the conduct of its business; to prepare, at the Board's request, opinions, regulations, rulings, forms and other legal papers and to perform generally such legal services as he may be called upon by the Board to perform.

Section 2. Subject to the direction of the Governor, the General Counsel shall have authority to correspond directly with the Counsel of the various Federal Reserve banks and to request their opinions as to the interpretation of the local laws of the States included in their respective Federal Reserve districts. Copies of all such correspondence are to be furnished to the Board for its information.

Section 3. Whenever it may be deemed advisable, the Board may appoint one or more Associate or Assistant Counsel, or one or more Assistants to Counsel. The duty of such Associate or Assistant Counsel shall be to assist the General Counsel in the performance of his duties and to perform the duty of the General Counsel in his absence. The duty of such Assistant to Counsel or Assistants to Counsel shall be to assist the General Counsel in the performance of his duties.

Section 4. The Board may appoint from time to time Consulting Counsel, who may be attorneys at law engaged in outside practice.

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Article XII

Meetings

Section 1. Stated meetings of the Board shall be held on such days of the week at such hours as the Board by majority vote may adopt from time to time. Special meetings of the Board shall be called upon the written request of three members of the Board.

Section 2. A majority of the Board shall constitute a quorum for the transaction of business, except that an affirmative vote of at least five members of the Board shall be necessary to require Federal Reserve banks to rediscount the discounted paper of other Federal Reserve banks, or to change reserves of banks in outlying districts.

Section 3. At all meetings of the Board the following shall be the order of business:

- (1) Reading or inspection of the Minutes of the last regular meeting and Minutes of meetings of all committees.
- (2) Report of the Governor.
- (3) Report of the Secretary.
- (4) Reports of the committees or members on assigned business.
- (5) Unfinished business.

Article XIII

Information and Publication

Section 1. All persons employed by the Board shall keep inviolate its business, affairs, and concerns, and shall not disclose or divulge the same to any unauthorized person whomsoever, and any employee who shall give information contrary to this by-law shall be liable to immediate dismissal.

Section 2. While each member of the Board must determine for himself the propriety or necessity of expressing publicly his individual opinion on any question, members shall not quote publicly the opinions of other members on matters which have not formally been passed upon by the Board.

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Section 3. There shall be published monthly, under the supervision of a committee of the Board, a bulletin to be known as "The Federal Reserve Bulletin" which shall be the official periodical organ or publication of the Federal Reserve Board.

Section 4. No resolutions of a personal character, except upon the death of a member of the Federal Reserve Board while serving as such, shall appear in any publication of the Federal Reserve Board.

Article XIV

Committee on Budget and Audit

The Board shall appoint a committee consisting of two members of the Board, whose duty it shall be to audit the accounts thereof for the six month's period for which they shall have been appointed, and report to the Board a tentative budget of expenses for the next succeeding six months.

Article XV

Amendments

These by-laws may be amended at any regular meeting of the Board by a majority vote of the entire Board, provided that a copy of such amendments shall have been delivered to each member at least seven days prior to such meeting.

Memorandum by Assistant to Counsel dated April 5th, submitting for approval, letters for signature by the Governor to directors of national banks serving as such in violation of the Clayton Anti-Trust Act.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated April 6th, 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.

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Dated April 5th, recommending approval of application of Frederick N. Eberhard to serve at the same time as a director of the Second National Bank of Hoboken, N.J., and the Mercantile Trust Company, Jersey City, N.J.
Approved.

Dated April 5th, recommending approval of application of Staughton B. Lynd to serve at the same time as a director of the Citizens-Union Fourth Street Bank and the Citizens Union National Bank, of Louisville, Ky.; also as Director and President, Industrial Bank of New York City.
Approved.

Dated April 5th, recommending approval of application of Henry J. Gordon to serve at the same time as a director of the Second National Bank of Hoboken, N.J., and Mercantile Trust Co., Jersey City, N.J.; also as Vice-President and Director, Weehawken Trust Co., Town of Union, N.J.
Approved.

Dated April 3d, recommending approval of increase to \$300 monthly in salary of C.H. Wells as Manager of the Member Bank Relations Department of the Federal Reserve Bank of Dallas.
Approved.

Other business was presented and disposed of as follows:

On motion duly seconded, Mr. Moehlenpah was appointed a member of the Bulletin Committee.

(At this point Governor Miller of the Federal Reserve Bank of Kansas City, Consulting Architect Trowbridge, and representatives of the Bank's architects joined the meeting)

Mr. Trowbridge presented report by him dated April 5th, reviewing bids submitted for the construction of the new bank

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building for the Federal Reserve Bank of Kansas City, and recommending that the Board authorize acceptance of the bid of the George A. Fuller Company of Chicago at their figure of \$3,284,997.

Considerable discussion was had of the bids, as well as the separate bids submitted by vault construction companies, and it was decided to defer action thereon pending the return to the city of absent members of the Board.


The Governor stated that inasmuch as he was advised by Governor Miller of the Federal Reserve Bank of Kansas City that it was unlikely that complainants against that Bank in connection with their par clearing campaign would come to Washington, and that such complainants would submit depositions, he believed the Board should state that it would not receive depositions, but would be entirely willing to grant a hearing to complainants before the full Board in Washington, or before a committee of the Board at Kansas City.

The Governor's suggestion was adopted, and he was authorized to make the Board's attitude known to the parties at interest.

At 1 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.