

At a meeting of the Federal Reserve Board, held in the office of the Board on Tuesday, May 25, 1920, at 11-30 A.M.,

PRESENT: The Chairman
The Governor
Mr. Miller
Mr. Moehlenpah
Mr. Williams
Mr. Emerson, Assistant Secretary.

PRESENT ALSO:
Mr. Harrison, General Counsel.

Minutes of meeting of the Executive Committee held May 19th were read, and on motion approved.

Minutes of meeting of the Board held May 20th 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 bearing rate of 5% or less; 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%, and 5-1/2% on paper secured by certificates of indebtedness bearing rate of 5-1/2%, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 20th	Chicago	New York	\$6,000,000	Within 15 days
"	Atlanta	New York	3,000,000	11-15 days
May 21st	Chicago	New York	7,000,000	Within 15 days
"	Chicago	New York	6,000,000	"
May 22d	Richmond	Cleveland	10,000,000	11-15 days

Noted.

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The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rate 5% on paper secured by certificates of indebtedness bearing rate of 5% or less; 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%, and 5-1/2% on paper secured by Liberty bonds and Victory notes, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 20th	Richmond	Cleveland	\$5,000,000	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 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 Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 20th	Kansas City	New York	\$8,000,000	12-15 days
"	Dallas	New York	5,000,000	11-15 days
May 21st	Dallas	New York	5,000,000	"

Noted.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rate 5% on paper secured by certificates of indebtedness bearing rate of 5% or

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less; 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%, and 6% on paper secured by Liberty bonds and Victory notes, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 20th	Minneapolis	New York	\$2,500,000	11-15 days

Noted.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations; rate 5% on paper secured by certificates of indebtedness bearing rate of 5% or less, and 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 21st	Minneapolis	New York	\$2,000,000	11-15 days

Noted.

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

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by Liberty bonds and Victory notes, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 21st	St. Louis	New York	\$5,000,000	11-15 days

Noted.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business May 22d, and the status of rediscounts between Federal Reserve Banks as of the same date.

Letter dated May 21st from the Governor, Federal Reserve Bank of Cleveland, reporting upon the attitude of the Executive Committee of that Bank relative to further advances in discount rates.

Noted.

Letter dated May 12th from the Chairman, Federal Reserve Bank of Minneapolis, advising the Board of the selection of Messrs. R. O. Kaufman of Helena, Charles J. Kelly of Butte, and H. W. Rowley of Billings, Montana, as Directors of the Helena Branch of that Bank.

On motion duly seconded, it was voted that the Board designate Messrs. Thomas Marlow of Helena, and Lee M. Ford of Great Falls, as its appointees on the Board of Directors of the Helena Branch.

Letter dated May 5th from the Chairman, Federal Reserve Bank of San Francisco, advising that notwithstanding the

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possible delivery to that Bank in 1921 of the Sub-Treasury Building at San Francisco, the Board of Directors are unanimously of the opinion that it is desirable to commence at once the construction of the new San Francisco bank building.

On motion duly seconded, it was voted to approve of the Federal Reserve Bank of San Francisco entering upon the construction of its new bank building.

(At this point the Chairman joined the meeting).

Telegram dated May 22d from the Chairman, Federal Reserve Bank of St. Louis, recommending for approval of the Board the establishment of progressive discount rates at that Bank, effective immediately, upon the basis outlined in the telegram referred to.

Approved after discussion.

At 1-15 P.M., the meeting recessed until 3 P.M.

At 3 P.M., the Board reconvened with the following members present:

The Governor
Mr. Miller
Mr. Moehlenpah
Mr. Williams
Mr. Emerson, Assistant Secretary.

Letter dated May 22d from Mr. Robert Bean, Executive Secretary of the American Acceptance Council, advising the Board of the answers adopted by the Council to the Board's

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questionnaire on acceptances recently issued confidentially, and requesting permission of the Board to publish both the questionnaire and the answers to the same.

Approved.

Letter dated May 20th from the Federal Reserve Agent, Federal Reserve Bank of New York, submitting for approval of the Board, recommendations of increases in salaries of 98 employees of that Bank and its Buffalo Branch, amounting to \$12,020 annually, whose anniversaries of employment fall during the month of May, such increases to become effective June 1st.

Approved.

The Governor reported that under the authority granted him by the Board on May 15, 1920, he had approved the plan submitted by the Secretary of the Board of classifying and rating the employees of the Board in connection with their compensation, and that the Secretary had been directed to proceed with making the plan effective.

Letter dated May 24th from the Acting Director, Division of Foreign Exchange, requesting the Board's approval of advice to the Irving National Bank that it may cancel the draft for \$5,000 drawn by the Bondernes Bank of Christiania to the order of Mr. Santeri Nuortava, payment of which has been suspended on account of certain restrictions governing foreign exchange transactions issued by the Federal Reserve Board.

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Approved.

Letter dated May 24th from the Acting Governor, Federal Reserve Bank of New York, setting forth the practice of that Bank with respect to the sale of the German gold earmarked with the Bank of England for account of the Federal Reserve Banks.

Noted.

Letter dated May 14th from the Governor, Federal Reserve Bank of Chicago, advising that the Board of Directors of that Bank had approved, subject to the approval of the Board, the expenditure of \$2,425 as the pro-rata contribution of that Bank toward providing new quarters for the Chicago Chapter of the American Institute of Banking, together with draft of telegraphic reply prepared by the Board's General Counsel.

Referred to the Governor with power.

Memorandum dated April 17th by Mr. Hoxton, submitting report of the Governors' conference held April 7-10, 1920.

Referred to Mr. Moehlenpah for report.

The Governor reported that Mr. Fred Scott of Richmond, Virginia, who had been appointed by the Board on April 16th to succeed Mr. Frederick A. Delano, resigned, as a member of the Railway Loan Advisory Committee to the Federal Reserve Board, had declined the appointment.

On motion duly seconded, it was voted that Mr. Angus W. McLean of the War Finance Corporation, be designated to succeed Mr. Delano as a member of this committee.

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Letter dated May 20th from the Federal Reserve Agent, Federal Reserve Bank of Dallas, recommending approval by the Board of amendment of the by-laws of the Houston Branch of that Bank to provide for compensation at the rate of \$2.50 to directors for attendance at executive committee meetings at that Branch.

Approved.

Telegram dated May 20th from the Federal Reserve Agent, Federal Reserve Bank of Dallas, requesting that the Board waive the following requirement imposed as a condition of membership upon the Lipscomb Bank & Trust Company, Luling, Texas:

"That the bank agree to eliminate from its assets, on or before December 31, 1920, the following notes:

Luling Oil & Manufacturing Co.,	\$19,371.85
Lockhart Oil & Gin Company,	4,598.30

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated May 25th, 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 May 24th, recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated May 24th, recommending approval of applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

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Dated May 22d, recommending approval of application of Thomas Daly to serve at the same time as a director of the Marine National Bank, Milwaukee, Wis., and of the Old-Commercial National Bank, Oshkosh, Wis.; also as Vice-President of the Roe-Burgess Land Company, Oshkosh, Wis.
Approved.

Dated May 21st, recommending approval of application of Kenneth F. Wood to serve at the same time as a director of the Chase National Bank, New York City, and of the Slater Trust Company, Pawtucket, Rhode Island.
Approved.

Dated May 21st, recommending approval of application of David T. Beals to serve at the same time as Vice-President of the Inter-State National Bank, Kansas City, Missouri, and as a director of the First National Bank, Carrizozo, New Mexico.
Approved.

Dated May 22d, recommending approval of appointment of Miss Carolyn M. Merriman as File Clerk in the Board's File Division, at a salary of \$1,320 per annum, plus \$240 bonus, effective June 1, 1920.
Approved.

Dated May 24th, recommending approval of appointment of Miss Grace M. Ryan as Stenographer and Typist in the Division of Reports and Statistics, at a salary of \$1,200 per annum, plus a monthly bonus of \$20., effective May 27, 1920.
Approved.


Dated May 20th, recommending approval of increase of \$15 per month in salary of Mr. R. A. Galloway, employed in the Fiscal Agency Section of the Auditing Department, Federal Reserve Bank of Dallas.
Approved.

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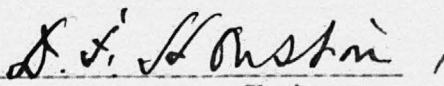
The Governor submitted for the ratification of the Board, action of the Executive Committee in approving promotions and changes in titles of certain officers of the Federal Reserve Bank of New York; together with an increase in salary of \$700 per annum of Mr. James M. Rice, Manager of the Government Bond Department, as recommended by the Board of Directors of that Bank, and outlined in letter of May 19th from Acting Governor Case.

Approved.

At 4-40 P.M., the meeting adjourned.


Assistant Secretary.

Approved:


Chairman.