

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, November 4, 1920, at 11:05 a.m.

PRESENT: The Governor
Mr. Platt
Mr. Miller
Mr. Wills
Mr. Williams
Mr. Hoxton, Secretary.

PRESENT ALSO:
Mr. Logan, General Counsel.

Minutes of the meeting of the Board held November 3rd were read, and on motion, approved.

Business was presented and disposed of as follows:

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business November 1st, and the status of rediscounts between the Federal Reserve banks as of the same date.

The Governor reported rediscount transactions, member bank promissory notes secured by Government obligations, rates 7%, and 7% on Commercial paper, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Nov. 3d,	Kansas City	Boston	{ \$3,001,555	12-15 days
			1,505,922.55	44-75 "
Nov. 3d,	Minneapolis	Cleveland	2,000,000	1-90 "
Nov. 1st,	Dallas	Cleveland	2,000,000	11-15 "
Nov. 3d,	St. Louis	Philadelphia	4,000,000	31-60 "

Memorandum dated November 3rd, by the General Counsel, with reference to the extension of provisions of Section 11 (m) of the Federal Reserve Act.

On motion, duly seconded, it was voted that the Board recommend to Congress the extension for one year, from January 1, 1921, the provisions of Section 11 (m); the matter to be referred to General Counsel for preparation of the necessary bill.

REPORTS OF COMMITTEE NO. 1:

Dated Nov. 3rd, Recommending approval of application for fiduciary powers as set forth in the auxiliary minute book of this date.

Approved.

Dated Nov. 3rd, Recommending approval of the appointment of George C. Whelan as Technical Clerk in the Board's Gold Settlement Division, at a salary of \$1440. per annum.

Approved.

Dated Nov. 3rd, Recommending approval of the appointment of Miss Mary C. Williams, as Clerk-Typist, in the Division of Reports & Statistics, at a salary of \$1200. per annum, effective November 8, 1920.

Approved.

Dated Nov. 3rd, Recommending approval of increases in the salaries of the following employes of the Board, effective November 1, 1920:

<u>Division of Reports and Statistics:</u>	<u>From</u>	<u>To</u>
F. A. Walker	\$1610.	\$1760.
Miss Edith Small	1465.	1600.
Miss Isabel Baer	1465	1600.
Miss F. Betty Stewart	1465	1600.

Assistant to Governor:

Miss Ruth L. Martin	1440.	1500.
Miss Katherine I. Latterman	1440.	1500.

Approved.

Dated Nov. 1st, Submitting resignation of Mr. James S. Kean, as Assistant Chief Clerk of the Federal Reserve Board, effective at the close of business November 15, 1920.

Accepted.

Other business was presented and disposed of as follows:

(At this point Mr. Williams joined the meeting.)

Telegram, dated November 3rd, from the Governor of the Federal Reserve Bank of Chicago, requesting approval of the

letting of a contract for vault construction to the York Safe and Lock Company, in the amount of \$700,000.

Approved.

Letter dated November 1, 1920, from Governor Miller of the Federal Reserve Bank of Kansas City, calling attention to certain conditions in the Tenth Federal Reserve District. In view of the situation, Governor Miller asks if his bank would be warranted in advancing upon paper ineligible, but undoubtedly good, and, if it should be necessary for certain banks to merge, whether the Comptroller would permit these consolidations without the usual formalities. After full discussion, it was determined that Mr. Wills should, in behalf of the Board, visit the Federal Reserve Bank of Kansas City, leaving Washington this afternoon.

Upon motion, it was resolved to authorize, for a period of 30 days, such member banks in the Tenth Federal Reserve District as may be designated by Mr. Wills, to offer for rediscount to the Federal Reserve Bank of Kansas City eligible paper which may have originated in non-member banks. Governor Harding was requested to wire Governor Miller that the Board has no authority to permit discount of ineligible paper as defined by Section 13, but has authorized Mr. Wills to approve list of member banks to act as medium or agent for non-member bank applicants.

In reply to the question of expediting such mergers affecting national banks, as might become necessary under the existing conditions, the Comptroller of the Currency transmitted to Governor Miller the following telegram:

"Your letter first instant to Governor Harding. If consolidation of certain banks becomes desirable, see no reason why this may not be successfully accomplished by having preliminary contract made by directors of one bank agreeing to purchase all assets of the other, and guaranteeing all its deposits. The effect of this would be a de facto consolidation and formal resolutions of stockholders looking to actual merger or corporate consolidation can be passed later if this is deemed desirable."

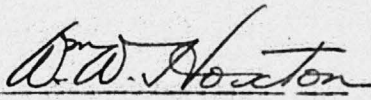
(At this point Mr. Williams withdrew from the meeting.)

Memorandum dated November 4th, by General Counsel, submitting an opinion as to the legality of Federal Reserve banks providing the Treasury with funds required for the purchase of additional equipment necessary to carrying out the currency printing program for the fiscal year 1922.


Referred to the Governor with power.

After further discussion of the Kansas City situation, upon motion by Mr. Platt, Mr. Wills was authorized, in his discretion, to direct that the Federal Reserve Bank of Kansas City increase its basic rate for commercial and agricultural paper from 6% to 7%.

At 1 p.m. the meeting adjourned.


Secretary.

Approved:


Governor.