

EX OFFICIO MEMBERS

CARTER GLASS
 SECRETARY OF THE TREASURY
 CHAIRMAN
 JOHN SKELTON WILLIAMS
 COMPTROLLER OF THE CURRENCY

ADDRESS REPLY TO
 FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD

WASHINGTON

W. P. G. HARDING, GOVERNOR
 ALBERT STRAUSS, VICE GOVERNOR
 ADOLPH C. MILLER
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W. T. CHAPMAN, SECRETARY
 R. G. EMERSON, ASSISTANT SECRETARY
 W. M. IMLAY, FISCAL AGENT

November 6, 1919.

X-1716

SUBJECT: Topics for Discussion at Conference
 of Governors on November 19, 1919.

Dear Sir:-

There is enclosed a list of topics which will be presented for discussion at the conference on the 19th instant. This list embraces topics which have been suggested by several of the Governors as well as some which have been offered by members of the Federal Reserve Board, and it is believed that it is sufficiently comprehensive to absorb all the time available for the conference. The list, however, is not a closed one, and if there are any other topics which any Governor would like to submit, they can be considered.

Very truly yours,

Enclosure.

Governor.

Letter to each Governor

TOPICS FOR DISCUSSION AT GOVERNORS' CONFERENCE
WEDNESDAY, NOVEMBER 19, 1919.

1: RESERVES:

- (a) The Federal Reserve Board is authorized to reclassify existing reserve and central reserve cities.
Should this power be exercised, and if so, how?
Should Congress be asked to amend Section 19 so as to require uniform reserves throughout the country, differentials to be based on the various classes of deposits?
- (b) Is there a demand for the payment of interest on reserve deposits, and should such a policy be considered?

2: SHOULD FEDERAL RESERVE BANKS EXERT ANY INFLUENCE UPON THE POLICY OF MEMBER BANKS IN THE AMOUNT OF INTEREST ALLOWED ON DEPOSITS?

3: SHOULD EFFORTS BE MADE TO INDUCE MEMBER BANKS TO CONTINUE THE PROCESS OF SORTING AND DEPOSITING GOLD CERTIFICATES IN FEDERAL RESERVE BANKS?

4: SHOULD THE FEDERAL RESERVE BANKS CONTINUE TO ABSORB THE ABRASION LOSS ON GOLD COIN?

5: TRANSIT OPERATIONS:

- (a) Method of treatment of transit problems through meetings of transit managers.
- (b) In the interest of more prompt presentation and payment of checks, should not nearby banks in given sections clear on each other directly, instead of through Federal Reserve Banks? Should the Federal Reserve Banks promote the establishment of such local clearing houses?
- (c) Collection of Drafts, Bills of Exchange, etc. Should the collection facilities of the Federal Reserve Banks be extended to include collection of commercial paper maturing in Federal Reserve cities and branch cities, and credit given on date of maturity subject to final payment?
- (d) Transfer Drafts and Exchange Drafts: The Transit Conference held in Cleveland on June 25, 1919, recommended that limit on exchange drafts be removed. Is it desirable to remove the limit on exchange drafts and discontinue the use of transfer drafts?

- (e) Transit Expense: In view of the fact that no uniform method has been adopted of determining transit expense, should not this segregation be abolished?
- (f) Use of express companies by Federal Reserve Banks in collecting checks.
- (g) Prospects of putting entire country on par basis.

6: RELATIONS WITH STATE BANKS.

- (a) State Bank Membership: Is any organized work being conducted similar to the campaign to get par points?
- (b) Fraudulent advertisement or claim of membership in Federal Reserve System. What means exist for preventing?

7: DISCOUNT RATES:

- (a) Review of policy in the light of effect of recent changes.
- (b) Effect of 15-day collateral rates: Should differential in favor of short time borrowings be discontinued?
- (c) Calculation of Interest at 365 Days per Year: Present practice is to compute interest on notes rediscounted on basis of 305 days and on bills purchased in the open market at 360 days per year. Should basis of calculation be uniform?

8: CREDIT SITUATION:

- (a) Discussion of the policy of the system. Governors are requested to bring some report of general price movements as to real estate, commodities and securities in their respective districts.
- (b) Experience of the governors as to the exercise of direct pressure upon individual banks that are inclined to borrow too freely.
- (c) Discussion of the complicated situation presented by the amendment to Section 5200 U.S.R.S.

9: DISCUSSION OF FOREIGN BUSINESS OF RESERVE SYSTEM AND HOW IT IS MANAGED.

10: ADMINISTRATION PROBLEMS:

- (a) Salary adjustments.
 - (1) Special compensation to meet high living costs.
 - (2) Employee's representation.
 - (3) Salary standardization.
 - (4) Overtime policy.

10: ADMINISTRATION PROBLEMS: continued.

(b) Thrift and Savings Policies:

- (1) Savings fund.
- (2) Home building.
- (3) Cooperative store.

(c) Health Program:

- (1) Medical examinations, including both eyes and teeth.

(d) Selection and Education:

- (1) Mental tests.
- (2) Training school.
- (3) Course in Federal Reserve Act.

(e) Personnel Service:

- (1) Cafeteria.
- (2) Rest periods.
- (3) Recreation.

(f) Pension plans:

- (1) Group insurance.
- (2) Disability and retirement allowances.

(g) Bank Protection:

- (1) Policing.
- (2) Riot duty.

11: BRANCH BANKS:

(a) Published Comparisons of Branch Operations and Expenses:
Inasmuch as statistics afford no opportunity for comparison unless the functions and operations are comparable should they not be subjected to analysis or be discontinued?

(b) Advisability of conference of Branch Bank Managers to study problems of branch bank operations.

12: U.S. TREASURER'S ACCOUNT:

(a) Can more prompt and dependable verifications and reconciliements be obtained?