At a regular meeting of the Federal Reserve Board held in the office of the Governor on Wednesday, July 11, at eleven a.m.,

PRESENT:

Mr. Harding, presiding, Mr. Warburg,
Mr. Hamlin, Mr. Miller,
Mr. Delano, Mr. Willis, Secretary.

The minutes of the meeting of the Board held on July 10 were read and, on motion, approved.

Mr. Delano presented a report with reference to the question of selecting a Class C director of the Federal Reserve Bank of St. Louis to fill the vacancy there existing. He recommended that Mr. Bruce Haldeman be designated to fill the vacancy. After discussion it was informally agreed that Mr. Haldeman be so designated as a Class C Director of the Federal Reserve Bank of St. Louis, and also as a director of the Branch of the St. Louis Bank to be established in Louisville, but that final action and notification be deferred pending communication by the Governor with the Federal Reserve Bank of St. Louis in order to ascertain its views with

igitized for FRASER
ttp://fraser.stlouisfed.org/

reference to the matter.

It was further agreed that Mr. H. Clifton Rodes be designated as director of the proposed branch at Louisville, under the same conditions as in the case of Mr. Haldeman, as above stated.

The proposed by-laws for the branch to be established at Louisville being presented to the Board were discussed and, on motion, it was voted to return them to the Federal Reserve Bank of St. Louis stating that the minor changes from the Board's tentative draft proposed in the draft transmitted by the Federal Reserve Bank of St. Louis were unobjectionable, but suggesting that the changes in substance should not be retained, inasmuch as the Board desires, so far as practicable, to bring about a general uniformity of by-laws as among the branches whose establishment is now in process.

Mr. Hamlin on behalf of the Committee on Law reported that he had considered the opinions of Counsel which had been referred to him, and would recommend action as follows:

Opinion with reference to the holding of balances

Digitized for FRASER
http://fraser.stlouisfed.org/

to anticipate the payment of items in transit, approved with authority for publication.

Opinion as to amount of trade acceptances which can be discounted for any one borrower, approved, question of publication to be placed in the hands of the Committee on Bulletin.

Opinion as to notes based on livestock, recommitted until the meeting of July 12.

Opinion with reference to the distinction between the limitations set forth in Section 9 of the Federal Reserve Act, and those set forth in Section 13 of the same, with reference to the proportionate amount of any one discount, approved, and publication authorized.

On motion, the recommendations of Mr. Hamlin, as thus set forth, were approved.

The report of the Committee on Reserve Cities, laid on the table at the meeting of July 10, was again presented and after discussion it was agreed that copies of the statistics accompanying it be mimeographed and transmitted to the reserve banks with a letter from the Governor paraphrasing the substance of the report and making inquiry as to the views of the several Federal

igitized for FRASER
ttp://fraser.stlouisfed.org/

reserve banks regarding the action proposed in the said report.

On motion, at its own request, endorsed by the Federal Reserve Bank of San Francisco, the City of Ogden, Utah, was made a reserve city.

Mr. Delano presented an informal report with reference to the present situation as to Federal reserve exchange and transfer drafts, in which he showed that thus far only two such drafts had been drawn.

Mr. Hamlin, to whom had been referred a letter from Mr. Herbert Hoover, reported recommending that copies of Mr. Hoover's suggestions be handed to each member of the staff of the Federal Reserve Board. The recommendation was approved.

Governor Harding presented as a report on behalf of himself and Mr. Warburg as special committee a letter addressed to the Secretary of the Treasury covering a series of topics relating to gold movements and foreign exchange, which had been discussed at the meeting of the Board on July 10, and as to which the views of the Board are set forth in the minutes of that meeting. On motion, the letter was approved with minor changes, and ordered transmitted.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

It was further directed that a copy of the letter be appended to the minutes of this meeting as part of the record.

Telegrams received from Federal Reserve Agent Sawyer and Governor Miller of Kansas City relative to the conditions under which the proposed branch at Omaha is to be established, were read to the Board. On motion, it was voted that the Governor of the Board telegraph replies, and that it be indicated therein that the Board assumes that the Federal Reserve Bank of Kansas City will adopt for the proposed branch by-laws following substantially the tentative draft already sent out.

A report of the Committee on Staff, dated July 11, was presented to the Board and, on motion, approved and accordingly the following increase in pay in the Board's staff were ordered.

Mr. W. J. Tucker, from $1800 to $1900 per annum.

Mr. C. S. Bradley, from $1800 to $1900 per annum.

Mr. Warburg presented a letter from the Chase National Bank of New York accompanied by applications on behalf of various national banks for authority to

igitized for FRASER
ttp://fraser.stlouisfed.org/

invest in the stock of the American Foreign Banking Corporation. On motion, the applications were approved for each bank, and accordingly the following banks were authorized to invest in the stock the amount set opposite their names:

Merchants National Bank,	Boston	$300,000
First National Bank,	Cleveland	300,000
Fifth-Third National Bank	Cincinnati	200,000
First & Security National Bank	Minneapolis	200,000
Philadelphia National Bank	Philadelphia	300,000
Anglo & London-Paris National Bank	San Francisco	200,000
First National Bank,	Milwaukee	100,000
National Bank of Commerce	St. Louis	250,000
Corn Exchange National Bank	Chicago	300,000
Chase National Bank	New York City	500,000

Questions raised in the letter of the Chase National Bank with reference to the details of making the applications, were referred to the Committee on Law for report.

Mr. Warburg presented a letter from Governor Rhoads with reference to the quarters occupied by the Federal Reserve Bank of Philadelphia, and stating that the Board of directors of that bank had voted to purchase the old Penn Mutual Building at not over $600,000, should this course be deemed expedient. After discussion Mr. Warburg was authorized to write Governor Rhoads for more detailed information.

On motion, Chief Examiner Broderick was authorized

Digitized for FRASER
http://fraser.stlouisfed.org/

to attend a meeting of persons representing Federal reserve banks in placing of the Liberty Loan, such conference to be held in New York on Monday, July 16, at the expense of the Board.

On motion, at 12.30 p.m. the Board adjourned to meet on Thursday, July 12, at 11 a.m.

APPROVED:

Secretary.

Chairman.

Digitized for FRASER
http://fraser.stlouisfed.org/