

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Board on Saturday, July 13, 1918, at 11 A.M.,

PRESENT: Mr. Harding, presiding
Mr. Warburg
Mr. Delano
Mr. Willis, Secretary

Business was presented and disposed of as follows:

A letter from Governor Wold of Minneapolis inquiring whether notes to member banks secured by Liberty Loan bonds or Treasury Certificates could be discounted with a maturity not exceeding 90 days when the note is given by another member bank; ordered answered in the affirmative, stating that the Board will do the same for members as for non-members.

A letter from Federal Reserve Agent Jay relative to the conditions of the employment of Prof. E. W. Kemmerer was read and referred to Governor Harding for reply.

The draft of a letter for transmission to Federal Reserve Agents inquiring about statistics as to rates of interest and discount; approved for transmission.

A draft of a letter proposed by Mr. Warburg for transmission to the Federal Reserve Agent at San Francisco; approved for transmission.

A change in the rate of discount at the Federal Reserve Bank of Chicago from 5 to 4 $\frac{3}{4}$ % on 90 day paper, as

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already tentatively approved; given formal approval.

An opinion of Counsel relative to the status of drafts or acceptances made payable with collection charges; referred back to Counsel for further opinion.

Discount rate sheets at Federal Reserve Banks (no changes) entered and ordered passed to file.

An opinion of Counsel stating that accrued dividends on stock surrendered by liquidating banks can not be paid out of earnings made after stock has been surrendered; read and approved and matter placed in the hands of Governor for reply.

A letter from the National City Bank of Brooklyn relative to its reserve status referred to the Secretary for reply, calling attention to pending Phelan Bill.

A letter from Cashier Cook at Minneapolis relative to collection of grain drafts referred to the Secretary for reply.

A letter from Federal Reserve Agent Curtiss transmitting oath of Mr. Phillip R. Allen, the new Class B Director of the Boston Bank; presented and ordered filed.

A letter from Federal Reserve Agent Perrin inquiring about the status of telegraph operators employed by Federal Reserve Banks; ordered answered with the suggestion that the operators execute the same oath as other employees and that

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the question of the agreement as to notice of leaving be left to the several reserve banks for local decision.

An opinion of Counsel to the effect that the Mercantile Bank of the Americas and other similar institutions need not be examined by the Board; read and approved.

Reports of Committees were presented and approved as follows:

No. 1

Dated July 11th, relative to the employment of Prof. Kemmerer by the Federal Reserve Agent at New York.

Dated July 12th, approving the appointment of Joseph Vermaelen (Division of Foreign Exchange) at \$360 per annum, effective July 17th.

Dated July 12th, approving appointment of Mrs. E. L. Hayden at \$900 per annum and Mrs. Alma C. Reimers at \$780 per annum, both effective July 15th (Division of Foreign Exchange).

Dated July 11th, recommending the employment of Miss Emma Hallock at \$1,200 per annum, effective July 15th, (Division of Foreign Exchange); also Miss Agnes Rogers at \$1,200, effective Aug. 5th; and Miss Dorothy Malevinsky at \$900 per annum, effective August 20th.

Dated July 11th, recommending the appointment of employees in the Auditor's Office of the War Loan Department of the Federal Reserve Bank of Dallas as follows, effective July 16th:

Mr. King,	increased from \$115 to \$130 per month
Mr. Novey,	" " 100 to 120 "
Mr. Leavell,	" " 100 to 120 "

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Dated July 11th, recommending increase in the salary of Joseph Goodman at the Federal Reserve Bank at Philadelphia, from \$1,400 to \$1,700 per annum, effective July 1st.

The Secretary of the Board was directed to inform the Federal Reserve Bank at Kansas City that the Board will not approve the maximum and minimum rate plan proposed by that bank effective August 15th.

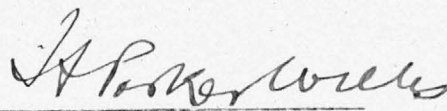
The Secretary of the Board was directed to ask Counsel for an opinion on the new law relating to Government salaries as affecting the Board's staff.

No. 2

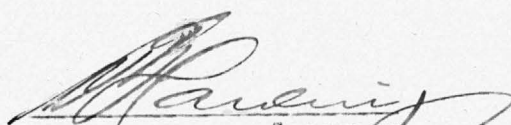
Dated July 13th, recommending admission of state institutions as set forth in the auxiliary minute book as of this date, subject to the conditions stated in the individual reports attached to each application.

Dated July 13th, recommending that authority be granted the First National Bank of Philadelphia to accept up to 100% of capital and surplus, under the Federal Reserve Act.

On motion at 12:20 P.M., the Committee adjourned.


Secretary.

Approved:


Governor.