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Minutes of the Federal Reserve Board

July - December

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At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, July 1, 1919, at 10-30 A.M.,

PRESENT: The Governor
Mr. Strauss
Mr. Miller
Mr. Williams
Mr. Broderick, Secretary.

By unanimous consent the reading of the minutes of previous meetings was deferred.

Mr. Miller stated that he was leaving Washington today for the Pacific Coast, and expected to return by August 12th.

The Governor stated that effective today, the Federal Reserve Banks of Cleveland and Philadelphia had placed the State of Pennsylvania on a par basis by reason of the fact that they had adopted the practice of collecting by express, items on banks not on their par lists.

The Governor stated that Mr. Hamlin's term of office as a member of the Executive Committee expired today, and that it would be in order to designate his successor.

Voted that in view of the fact that Mr. Miller would be absent until August 12th, Mr. Hamlin be designated a member of the Executive Committee to serve during the ensuing quarter year.

The Governor reported the purchase of special 2% certificates of indebtedness of the United States for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes, as follows:

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<u>For Federal Reserve Bank of:</u>	<u>Date</u>	<u>Amount</u>
Richmond,	June 26, 1919	\$100,000
St. Louis,	June 27, 1919	500,000
Philadelphia,	"	1,000,000
Dallas,	June 30, 1919	500,000

Approved.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him: member bank promissory notes secured by Government obligations; rate 4% on paper secured by certificates of indebtedness and $4\frac{1}{4}\%$ on paper secured by Liberty bonds and Victory notes, as follows:

<u>Date</u>	<u>Bank Rediscounting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
June 26th	Richmond.....	(Minneapolis (Chicago	\$5,000,000 10,000,000	5-15 days 15 days
June 26th	Philadelphia	Chicago	10,000,000	11-15 days
June 27th	Philadelphia	Chicago	5,000,000	"
June 27th	Richmond	Chicago	5,000,000	5-15 days
June 28th	Philadelphia	Chicago	5,000,000	11-15 days
June 30th	Richmond.....	(Minneapolis (Chicago	5,000,000 5,000,000	"
June 30th	Dallas	Chicago	3,000,000	15 days
June 30th	Philadelphia	Chicago	10,000,000	11-15 days
July 1st	Richmond	Minneapolis	10,000,000	"

Noted.

Memorandum by Secretary dated July 1st, submitting for approval draft of letter to be sent to Governors of all Federal

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Reserve Banks dated July 1st, submitting comments by Federal Reserve Board in re report of Governors of Federal Reserve Banks covering improvements in service and distribution of expenses of the leased wire system.

Approved as amended.

Memorandum by Secretary dated June 26th, recommending that the Board approve the installation of full duplex circuit between New York, Washington and Chicago in place of circuit No. 3-B, and the employment of an additional telegraph operator in the Washington office.

Approved.

Letter dated June 25th from the Chairman of the Federal Reserve Bank of Chicago, commenting upon proposed legislation to increase the number of directors of Federal Reserve banks.

Noted.

The Governor read a letter from the Governor of the Federal Reserve Bank of New York dated June 26th, commenting upon the Board's letter of June 19th requesting an expression of opinion in re suggestion of the abolition of sub-treasuries and the transfer of their functions to Federal Reserve banks.

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

The Governor stated that he was informed by Chairman Platt of the House Banking and Currency Committee that a bill

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embodying suggestions similar to those contained in Governor Strong's letter had been submitted to his Committee from New York.

Voted that the Governor ascertain from Governor Strong if he were the author of the bill submitted to the House Banking and Currency Committee, and if so, to advise him that it was the Board's desire that such matters be presented to Congress by it rather than by individual officers of Federal Reserve Banks.

Telegram dated June 30th from the Chairman of the Federal Reserve Bank of Dallas, requesting authority to take a vacation during the month of August.

Approved.

Telegram dated July 1st from the Chairman of the Federal Reserve Bank of Dallas, requesting that he be authorized to instruct Assistant Federal Reserve Agent Hall to attend meetings of the Board of Directors of the Federal Reserve Bank of Dallas in an advisory capacity during his absence on vacation.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated June 26th, recommending the payment of extra compensation to employees of the Board pursuant to provisions of Section 7 of the Act of March 1, 1919, and increases in salaries of employees not affected by such legislation, effective July 1, 1919.

Approved.

Dated June 26th, recommending approval of increases in salaries of officers and employees of the Federal Reserve Bank of New York.

Voted to approve subject to approval by Assistant Secretary of the Treasury Leffingwell, under whose jurisdiction comes the work done by Mr. Rudd's department, of the increase from \$9,000 to \$12,000 recommended in the salary of Channing Rudd.

Dated June 24th, recommending approval of salary of \$2,400 per annum for Mr. Thomas H. Davis, National Bank Examiner.

Approved.

Dated June 23d, recommending approval of increases in salaries of employees of the Federal Reserve Bank of Atlanta, as follows:

		<u>From</u>	<u>To</u>	
D.E.Moncrief,	Chief Clerk,	\$2,000	\$2,100	per annum
C.R.Tidwell,	Examiner,	2,700	3,000	"
Ione Cooper,	Clerk,	85	90	monthly
Approved.				

Dated July 1st, recommending approval of appointment of Miss Katherine Snodgrass as Research Assistant in the Division of Analysis and Research at a salary of \$2,000 per annum, effective upon reporting for duty.

Approved.

Dated July 1st, recommending approval of increases in salaries of employees of the Federal Reserve Agent's department, Federal Reserve Bank of San Francisco, effective July 1st.

Approved.

Dated July 1st, recommending approval of salary of \$3,000 per annum effective July 1, 1919, for Mr. Vanemin Lamont as Acting Assistant Cashier of the Federal Reserve Bank of Chicago.

Approved.

Dated July 1st, recommending admission of State institutions as set forth in the auxiliary minute book as of this date, subject to the conditions stated

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in the individual reports attached to each application.

Approved.

Dated June 30th, recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

Approved.

Dated June 27th, recommending approval of application of the Wachovia Bank and Trust Company, Winston-Salem, N.C., to establish a branch in said city.

Approved.

Other business was presented and disposed of as follows:

Memorandum by Secretary dated June 30th, advising of withdrawal by the Hub Trust Company of Boston, Massachusetts, of its application for membership in the Federal Reserve System.

Noted.

Recommendation of the Director, Division of Foreign Exchange, that the records of that Division be transferred to the Pioneer Warehouse, subject to the order of Mr. Crane, Acting Director of the Division, or the Secretary of the Federal Reserve Board, until such time as the Board might deem it advisable to transfer such records to Washington for permanent custody.

Approved.

Telegram dated July 1st from Assistant Federal Reserve

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Agent Mosher at Minneapolis in re appointment of O. A. Carlson as Chief Clerk.

Referred to the Governor.

Letter dated June 26th from the Governor of the Federal Reserve Bank of New York, advising that it will be agreeable to that Bank for Mr. Crane, its Assistant Cashier, to enter upon the duties of Acting Director of the Division of Foreign Exchange.

Letter dated June 26th from the Director of the Division of Foreign Exchange, recommending that Mr. J. E. Bizzell be granted leave of absence with pay at his present rate of compensation for thirty days, beginning July 16th.

Approved.

The Governor stated that it was in order to accept the resignation of Mr. J. E. Zunts as a director and as Chairman of the Board of Directors of the New Orleans Branch of the Federal Reserve Bank of Atlanta, and to appoint a successor for him in both capacities.

On motion duly seconded Mr. Zunts' resignation was accepted and Mr. P. H. Saunders was appointed Chairman of the Board and Mr. L.M. Poole a director of the New Orleans Branch of the Federal Reserve Bank of Atlanta.

Letter dated June 26th from the Mercantile Bank of the Americas, requesting a modification of its agreement with

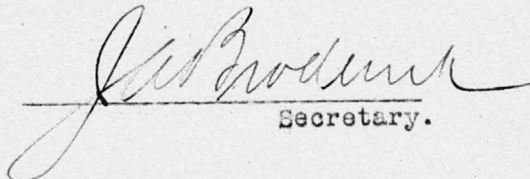
the Board so that in no event shall the aggregate of its acceptances outstanding plus the total of deposits held by it exceed twelve times the amount of its subscribed capital and surplus, except with the approval of the Federal Reserve Board.

Approved.

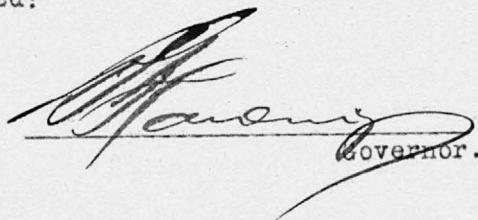
Letter dated July 26th from the Chairman of the Federal Reserve Bank of Dallas, submitting for approval action by the directors of that Bank in appropriating a sum not exceeding \$2,000 for the year 1919 for use in educational and welfare work among employees.

Approved.

At 12-30 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.