At a meeting of the Federal Reserve Board held in
the office of the Board on Tuesday, July 8, 1919, at 11 A. M.,

PRESENT: The Governor
Mr. Strauss
Mr. Hamlin
Mr. Williams
Mr. Chapman, Assistant Secretary.

Morning business was presented and disposed of as
follows:

By unanimous consent the reading of the minutes of pre-
vious meetings was deferred.

The Governor reported the reserve positions of the
several Federal Reserve banks.

The Governor reported the purchase of special 2½ cer-
tificates of indebtedness of the United States for deposit
with the Comptroller of the Currency as collateral for Federal
Reserve bank notes, as follows:

<table>
<thead>
<tr>
<th>For Federal Reserve Bank of:</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richmond</td>
<td>July 3, 1919</td>
<td>$100,000</td>
</tr>
<tr>
<td>New York</td>
<td>July 3, 1919</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>Richmond</td>
<td>July 3, 1919</td>
<td>200,000</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>July 5, 1919</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Kansas City</td>
<td>July 7, 1919</td>
<td>500,000</td>
</tr>
</tbody>
</table>

Approved.

The Governor reported rediscount transactions, pur-
suant to authority heretofore vested in him: member bank promis-
sory notes secured by Government obligations; rate 4½ on paper
secured by certificates of indebtedness and 4¼ on paper
secured by Liberty bonds and Victory notes, as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Bank Rediscounting</th>
<th>With</th>
<th>Amount</th>
<th>Maturities</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 3, 1919</td>
<td>Dallas</td>
<td>Chicago</td>
<td>$4,000,000</td>
<td>15 days</td>
</tr>
<tr>
<td>July 7, 1919</td>
<td>Richmond</td>
<td>Chicago</td>
<td>$10,000,000</td>
<td>11-15 days</td>
</tr>
</tbody>
</table>

Noted.

Letter dated July 3d from the Secretary of the Asia Banking Corporation, advising that this corporation has applied to the Superintendent of Banks of New York for permission to increase its capital stock from $2,000,000 to $4,000,000, and to increase its surplus from $500,000 to $1,000,000.

Noted.

Letter dated July 5th from the Chairman of the Federal Reserve Bank of Minneapolis, giving reasons why that Bank prefers to have Mr. Cass Gilbert act as its architect rather than select an architect by competition.

Referred to Governor for reply.

(At this point Mr. Williams joined the meeting)

The minutes of the meetings of the Board held on June 26th and July 1st were read, and on motion approved.

The minutes of the meetings of the Executive Committee held on June 26th and 27th, and July 2d and 3d were read, and on motion approved.

Letter dated June 30th from the Chairman of the St.
Louis Clearing House Association, submitting resolution of that body, asking that St. Louis' designation as a central reserve city be discontinued. The Governor read reply by him dated July 3d.

Letter dated July 3d from the Chairman of the Federal Reserve Bank of Philadelphia, advising that the Board of Directors of that Bank had voted the following increases in salaries, effective July 1, 1919, subject to the approval of the Federal Reserve Board:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Wm. Hutt</td>
<td>Deputy Governor</td>
<td>9,000</td>
<td>12,000</td>
</tr>
<tr>
<td>W. A. Dyer</td>
<td>Cashier</td>
<td>7,500</td>
<td>9,000</td>
</tr>
</tbody>
</table>

Approved.

Letter dated July 2d from Deputy Governor Sailer of the Federal Reserve Bank of New York, reporting the employment of the persons named below, at salaries indicated:

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. William A. Scott</td>
<td>$3,000</td>
</tr>
<tr>
<td>Mr. Harold C. Vaughan</td>
<td>2,600</td>
</tr>
<tr>
<td>Mr. Andrew B. Foye</td>
<td>4,000</td>
</tr>
</tbody>
</table>

Approved.

Letter dated July 7th from the Acting Director, Division of Foreign Exchange, requesting that the Board cancel all outstanding prohibitions against foreign exchange transactions with the exception of those stated as relating to Bolshevik transactions.
Approved.

Application of Northwestern National Bank, Minneapolis, Minnesota, for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13 of the Federal Reserve Act.

Approved.

Letter dated June 3d from the Chairman of the Federal Reserve Bank of Minneapolis, requesting the approval of appointment of R. A. Smith as Chief Clerk in his office at a salary of $2,200 per annum, effective July 15, 1919.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated July 8th, recommending approval of application of Otto Bremer to serve at the same time with the American National Bank, City Bank, and Commercial State Bank, all of St. Paul, Minn.

Approved.

Dated July 8th, recommending approval of application of Eugene H. Darrach to serve at the same time with the Indiana National Bank and the Union Trust Company, of Indianapolis, Ind.

Approved.

Letter dated July 2d from the Governor, Federal Reserve Bank of Minneapolis, requesting authority to establish a progressive penalty for deficiencies in reserves.

Referred to Governor for reply, approving.
At 12:45 P.M., the meeting adjourned.

[Signature]
Assistant Secretary.

Approved:

[Signature]
Governor.