At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Board on Wednesday, July 9, 1919, at 12 o'clock noon,

PRESENT: The Governor
Mr. Strauss
Mr. Hamlin
Mr. Broderick, Secretary.

The Governor reported the purchase of special 2½% certificates 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>Cleveland</td>
<td>July 8, 1919</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

Approved.

The Governor reported rediscount transaction, 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 4½% 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 7/19</td>
<td>Philadelphia,</td>
<td>Chicago,</td>
<td>$20,000,000</td>
<td>11-15 days</td>
</tr>
</tbody>
</table>

Noted.

Memorandum by Secretary dated July 9th, recommending conditional approval of application of National Shawmut Bank of Boston to invest in stock of the Mercantile Bank of the Americas.
Approved.

Memorandum by the Secretary dated July 9th, recommending approval of application of the Continental and Commercial National Bank of Chicago, Ill., to invest $125,000 in the capital stock of the Asia Banking Corporation of New York.

Approved.

Letter dated July 7th from Vice-President of the National Shawmut Bank of Boston, making application on behalf of that Bank for authority to accept for the purpose of creating dollar exchange in Switzerland.

Disapproved.

The following reports were submitted:

Dated July 9th, 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.

Approved.

Dated July 9th, recommending action on applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated July 1st, recommending approval of salary of $3,000 per annum for Mr. Charles A. Stewart as a National Bank Examiner.

Approved.
Dated July 7th, recommending increase in salary from $12,000 to $15,000 per annum of Mr. Sherrill Smith as Chief Examiner of the Second Federal Reserve District, effective July 7th.

Approved.

Letter dated July 1st from the Chief Clerk of the Federal Reserve Bank of Boston, submitting lists of employees of that Bank and their salaries.

Referred to Secretary for consultation with the Treasury Department to ascertain their views with respect to increases in salaries of employees of the War Savings Division of the Federal Reserve Bank of Boston.

Dated July 9th, recommending approval of the appointment of Mr. R. B. Motherwell as Assistant Chief Examiner of the Federal Reserve Bank of San Francisco, at a salary of $300 per month.

Approved.

Dated July 9th, recommending that the period of employment of W. R. Howe to count messages at $30 per month be extended until otherwise ordered.

Approved.

Dated July 9th, recommending approval of recommendations of increases in salaries of employees of the Federal Reserve Agent's department, Federal Reserve Bank of San Francisco.

Approved.

The Governor stated that Secretary Broderick had informed him of the receipt of an offer of an official position with a financial institution which he was desirous of accepting, if it was agreeable to the Board to release him from his present duties.
It was understood that Mr. Broderick would continue in his present duties until July 31st, and would then take statutory leave of absence for the month of August, at the expiration of which his resignation would become effective.

Memorandum by Mr. Emerson dated July 6th, recommending the adoption of uniform practice of all Federal Reserve Banks with respect to payment of charges on telegrams reporting figures to be used by the Board in its weekly statements, and submitting for approval, draft of letter to be sent to all Federal Reserve Agents in this connection.

Approved.

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

Mr. Hamlin stated that Federal Reserve Agent Curtiss at Boston had telephoned him, stating that the Federal Reserve Bank of Boston desired to make general increases in rates, and had addressed a letter to the Governor on the subject.

The Governor stated that the letter had not, as yet, been received by him.

Voted that the Governor be authorized to send to Mr. Curtiss a telegram reading as follows:

"Referring to your conversation with Mr. Hamlin, your letter respecting general rate situation not yet received, but Board deems it
inadvisable from point of view of Treasury's plans to raise rate on certificates above 4\%, or to raise rate on Liberty bonds above 4\%, because of probable tendency to bring about sales of bonds at time when quotations are improving. In view of these conditions, board is not prepared to consider at present general changes in rates, but would approve adoption by you of rates on a parity with those prevailing at Federal Reserve Bank of Chicago."

At 12-40 P.M., the meeting adjourned.

Approved:

[Signature]
Secretary.

[Signature]
Governor.