

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the board on Tuesday, July 15, 1919, at 11 A.M.,

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

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:

<u>For Federal Reserve bank of:</u>	<u>Date</u>	<u>Amount</u>
San Francisco,	July 9th	\$832,000
New York,	July 10th	500,000
New York,	July 11th	200,000
New York,	July 14th	500,000
Richmond,	July 14th	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 Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 10th	Richmond.....	(Chicago (Minneapolis	\$5,000,000 5,000,000	11-15 days
"	Philadelphia	Chicago	15,000,000	"
July 11th	Richmond	Minneapolis	10,000,000	"
"	Philadelphia	Chicago	5,000,000	"
"	Dallas	Chicago	2,000,000	15 days
July 12th	Richmond	Minneapolis	10,000,000	11-15 days
"	Richmond	Chicago	5,000,000	15 days

Noted.

Memorandum by Secretary dated July 14th, in re status of agreements with foreign banking corporations.

Noted.

Telegram dated July 12th from Chairman of the Federal Reserve Bank of Atlanta, requesting abrogation of differential rate of 4% on 16 to 90 day paper secured by Fourth Liberty Loan bonds where such paper has been discounted by member banks at a rate not exceeding the coupon rate, effective July 17th.

Approved.

The Governor stated that it was in order to appoint a Director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland to succeed Mr. T. Hart Given, deceased.

On motion duly seconded Mr. Harrison Nesbit, President of the Bank of Pittsburgh was appointed a director of the Pittsburgh branch of the Federal Reserve Bank of Cleveland.

Memorandum by Statistician dated July 14th, in re office space required by Division of Reports and Statistics.

Noted.

Memorandum by Secretary dated July 14th, submitting for approval draft of letter to all Federal Reserve banks, requesting them to file with the Federal Reserve Board as of August 1, 1919, a complete list of salaried employees of their War

Savings organizations, and advising them that all adjustments in salaries and increases in compensation are to be submitted to the Federal Reserve Board for approval in the same manner as in case of other employees of the Bank.

Approved.

Letter dated July 11th from the American Foreign Banking Corporation, requesting permission to open a branch in Buenos Aires, Argentine Republic.

Approved.

Memorandum by Secretary dated July 12th, in re report of condition of First National Corporation of Boston, with particular reference to character of reserve against outstanding acceptances.

Voted that the First National Corporation of Boston be informed that while the reserve held by them against outstanding acceptances is adequate without the inclusion of certain shares of the Foreign Bond & Share Corporation, it is not the purpose of the Board to recognize such shares as proper security for outstanding acceptances.

Letter dated July 10th from the Governor of the Federal Reserve Bank of Dallas, submitting data in connection with bids considered in connection with the erection of a new bank building by that Bank.

Noted.

Letter dated July 11th from Deputy Governor Peple, Federal Reserve Bank of Richmond, analyzing the relation of cotton to the loan situation in the 5th Federal Reserve District.

Ordered circulated.

Suggested draft of letter dated July 11th to Messrs. Stetson, Jennings and Russell in re eligibility of certain acceptances to finance exports to Czecho-Slovakia.

Referred to Mr. Strauss for preparation of a statement for the forthcoming Bulletin.

Letter dated July 11th from the Governor, Federal Reserve Bank of Chicago, explaining the action of the Board of Directors of that Bank in abandoning its announced policy of collecting by express, items on banks not on the par list.

Ordered circulated.

Daily comparison of street loans of reporting New York City banks.

Voted that the Governor, upon the occasion of his contemplated visit to New York, ascertain whether or not the reporting banks would object to the Board making public in general tabulated form, eliminating details, the figures reported by them.

Memorandum of July 11th from Acting Director, Division of Analysis and Research, in re criticism of article entitled "Index of Collection Conditions" appearing on page

547 of the June Federal Reserve Bulletin.

Ordered circulated.

The Governor stated that it would appear fitting that Mr. F. I. Kent, formerly Director, Division of Foreign Exchange, should receive a check for \$1. autographed by The President, as compensation for his services to the Board, which he rendered without remuneration.

On motion duly seconded, it was resolved that Mr. Fred I. Kent having rendered invaluable service to the United States and the Federal Reserve Board as Director of its Division of Foreign Exchange, which service was voluntary and without compensation, it is hereby voted that the Fiscal Agent of the Board be directed to issue a check in his favor for \$1.

Letter dated July 14th from Assistant Federal Reserve Agent Morgan at New York, submitting chart analyzing the relation between the withdrawal of Government deposits, call money, time loans and investments during the period July 9 and 10, 1919.

Referred to the Bulletin Committee with suggestion that the letter and chart be reproduced in modified form in the forthcoming issue of the Bulletin.

The following reports were submitted:

Dated July 15th, 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 15th, recommending approval of applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.
Approved.

Dated July 15th, recommending approval of application of Edward F. Clark to serve at the same time with the First National bank, and Dollar Savings & Trust Company of Youngstown, Ohio, and the Second national bank, Warren, Ohio.
Approved.

Dated July 14th, advising that Mr. Roger Baldwin, heretofore appointed as Assistant Examiner at a salary of \$2,000 per annum will not report for duty.
Noted.

Dated July 14th, recommending approval of appointment of Alfred A. Boysen as Assistant Examiner at a salary of \$2,000 per annum, effective upon reporting for duty.
Approved.

Dated July 14th, recommending approval of recommendation of Directors of the Federal Reserve bank of Richmond that the salary of Deputy Governor Peple be increased from \$10,000 to \$12,000 per annum, effective July 1, 1919.
Approved.

Dated July 14th, recommending designation of Messrs. George A. Aughterton and Ralph M. Chapman as federal Reserve Examiners, effective August 1, 1919.
Approved.

Dated July 11th, recommending approval of salaries of the following employees of the Federal Reserve Bank of New York:

Herbert S. Downs,	\$4,000 per annum
Robert Routh,	3,120 "

Approved.

Dated July 11th, recommending that Mr. J. H. Bizzell, head of the Statistical Section of the Division of

Foreign Exchange, be granted leave of absence for thirty days, beginning August 1st instead of July 16th, as heretofore authorized.

Approved.

Dated July 13th, recommending approval of increases in salaries of officers and employees of the Federal Reserve Bank of San Francisco, effective July 1, 1919.

Approved.

Dated July 14th, recommending approval of increases of salaries of officers and employees of the Federal Reserve Bank of Dallas, effective July 1, 1919.

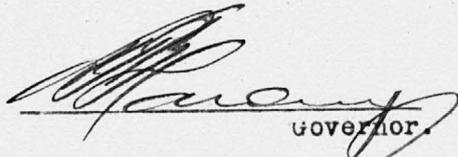
Approved.

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

At 12-35 P.M., the meeting adjourned.


Assistant Secretary.

Approved:


Governor.