

At a meeting of the Federal Reserve Board held in the office of the Board on Thursday, August 14, 1919, at 11 A.M.,

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

The minutes of the meeting of the Board held on August 13th were read, and on motion approved.

Report of discount rates at various Federal Reserve banks; no changes recommended.

Noted.

Letter dated August 12th from Deputy Governor Case of the Federal Reserve Bank of New York, submitting request of that Bank that it be permitted to ear-mark for safe-keeping with the National Bank of Belgium, ninety million marks of the original German gold coin obtained by the Bank through the United States Food Administration. Cable from Governor Strong submitted in letter of Deputy Governor Case in his letter of August 11th reports that Governor Strong and Mr. Kent regard protection at National Bank of Belgium as adequate.

Voted that the Federal Reserve Bank of New York be permitted to hold earmarked for safe-keeping with the National Bank of Belgium, up to 90,000,000 marks of German gold, being all or a part of the German gold coin purchased by the Federal Reserve Bank of New York and now held in the National Bank of Belgium, but that such gold shall be transferred to the Bank of

-2-

England and there earmarked for the Federal Reserve Bank of New York as promptly as this can be done in an orderly manner, having in mind, however, the possible needs of the Treasury for the shipment of gold to Spain in settlement of peseta obligations. These obligations are understood to be as follows:

75,000,000 Pesetas falling due August 29th;
30,000,000 Pesetas falling due September 2d;
50,000,000 Pesetas falling due some date in
October.

It is understood to be the Treasury's intention to pay off now, through Pesetas at present on hand or through the purchase of exchange in the market, one-half of the 75,000,000 Pesetas due August 29th, and to renew the remainder for ninety days, and to pay off on September 2d the entire 30,000,000 Pesetas then maturing. In order to make these payments, gold may be required within the next ten days, should it prove impossible to purchase sufficient exchange in the market. Assuming these payments are to be made by the purchase of exchange in the market, there will still remain 87,500,000 Pesetas maturing at later dates equal to about 70,000,000 marks of gold coin if settled in that way.

The Governor reported the reserve positions of the several Federal Reserve Banks as of the close of business August 12th, and the status of rediscounts between Federal Reserve banks as of the same date.

Application of the First National Bank, San Angelo, Texas, for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13.

Approved.

Letter dated August 12th from the Chairman of the Federal Reserve Bank of Richmond, requesting approval of the designation

of the following as Special Examiners of the Federal Reserve Bank of Richmond, to examine or assist in the examination of banks applying for membership and State member banks, or to make special credit investigations or examinations of National or State banks:

A. H. Dudley
J. G. Fry

Approved.

(At this point Mr. Williams joined the meeting)

REPORTS OF COMMITTEE NO. 1:

Dated August 14th, 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 August 13th, (3 reports) recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

Other business was presented and disposed of as follows:

Letter dated August 11th from the Chairman of the Federal Reserve Bank of Minneapolis, advising that the directors of that Bank had elected Mr. R. A. Young as Governor, effective October 1st next, at a salary of \$12,000 per annum, subject to the approval of the Federal Reserve Board.

Approved.

Letter dated August 13th from the Chairman of the Fed-

-4-

eral Reserve Bank of New York, submitting for approval proposed amendment to the by-laws of the Buffalo Branch of that Bank to provide for the creation of the office of assistant manager, and the appointment of Mr. I. W. Waters as such assistant manager.

Approved.

Letter dated August 11th from the Governor of the Federal Reserve Bank of Dallas in re estimated cost of erecting a bank building on the lot recently acquired as a site for the El Paso Branch of the Federal Reserve Bank of Dallas.

Referred to Governor for reply.

Letter dated August 12th from the President of the National Shawmut Bank of Boston, in re proposed formation of a corporation to be known as the Shawmut Securities Company, for the purpose of dealing in foreign and domestic securities.

Referred to General Counsel for report.

The Governor made a statement regarding the work done by his Private Secretary, Mr. Walter L. Eddy, who is also Deputy Fiscal Agent of the Board, requesting approval of an increase in Mr. Eddy's salary.

Voted that effective August 1, 1919, the salary of Mr. Walter L. Eddy, Private Secretary to the Governor, be increased from \$2,850 to \$3,025 per annum.

Letter dated August 8th from Vice-President Spear of

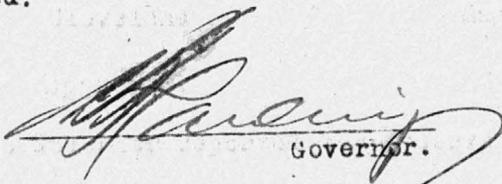
the Fourth Atlantic National Bank, Boston, Mass, inquiring as to whether acceptances by foreign correspondents and under the guaranty of National banks should be reported as direct liabilities of the National banks and treated as subject to the limitations imposed by the Federal Reserve Act on the accepting power of National banks.

Referred to Governor with power.

At 12-20 P.M., the meeting adjourned.


Acting Secretary.

Approved:


Governor.