

At a meeting of the Federal Reserve Board held
in the office of the Board on Tuesday, August 26, 1919
at 11 A.M.

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

The minutes of the meeting of the Board held on
August 21st were read and on motion approved as amended.

Morning business was presented and disposed of as
follows:

The Governor reported the purchase, on August 21,
1919, of special 2% certificate of indebtedness of the
United States for the Federal Reserve Bank of Chicago,
for \$1,000,000, for deposit with the Comptroller of the
Currency as collateral for Federal Reserve bank notes.

Approved.

The Governor reported the reserve positions of the
several Federal Reserve banks as at close of business
August 23d, and the status of rediscounts between Federal
Reserve banks as of the same date.

The Governor reported rediscount transactions, pur-
suant 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 or Victory notes, as follows:

<u>Federal Reserve Bank of</u>	<u>With</u>	<u>Date</u>	<u>Amount</u>	<u>Maturities</u>
Philadelphia	Chicago	Aug. 21st	\$17,000,000	11 to 15 days;
Richmond	Minneapolis	Aug. 22d	5,000,000	11 to 15 days;
Dallas	Chicago	Aug. 23d	2,000,000	11 to 15 days;
Richmond	St. Louis	Aug. 25th	10,000,000	11 to 15 days;
Dallas	Chicago	Aug. 25th	1,000,000	11 to 15 days.

Noted.

Letter dated August 19th, from the Guaranty Trust Company of New York, in re effect on the silver market of gold shipments to China.

Ordered circulated.

Applications of the following banks for authority to accept drafts and bills of exchange up to 100% of their capital and surplus under the provisions of Section 13 of the Federal Reserve Act:

- Hibernia Bank of Savannah, Savannah, Georgia;
- The National Marine Bank, Baltimore, Maryland;

Approved.

Recommendations for changes in discount rates at the Federal Reserve Banks of Chicago and Dallas as follows:

- Federal Reserve Bank of Chicago; rate of 4% on customers' paper maturing within 15 days, secured by certificates of indebtedness of the United States;
- Federal Reserve Bank of Dallas; rate of 4½% on 15-day rediscounted customers' paper secured by Govern-

ment obligations other than certificates of indebtedness of the United States.

Approved.

Letter dated August 21st from Deputy Governor Peple, Federal Reserve Bank of Richmond, requesting authority to install direct telegraph facilities between the Federal Reserve Bank of Richmond and its Baltimore Branch, via the Board's telegraph office at Washington.

Approved.

Letter dated August 21st from the Assistant Federal Reserve Agent at Cleveland, submitting for approval the application of the Cleveland Trust Company, Cleveland, Ohio, for permission to establish two additional branches in Cleveland.

Approved.

Letter dated August 23d from Assistant Cashier Crane, Federal Reserve Bank of New York, outlining the method by which that bank, upon the recommendation of Governor Strong, proposes to deal with the determination of the gold content of the German gold coin held for it by De Nederlandsche Bank.

Voted to approve the method recommended by Governor Strong.

Memorandum by Mr. Heck of the Department of State, re possibilities for an American bank at Constantinople and at other commercial centers in the Near East.

Ordered circulated.

Letter dated August 12th from the Fur Dressers' and Fur Dyers' Association, Incorporated, New York, requesting a ruling by the Board, classifying acceptances by members of that association. The Governor submitted for approval draft of reply by him under date of July 26th.

Approved as amended.

Memorandum by the Acting Secretary, dated August 25th, recommending the assignment of Rooms 288 and 288½, Treasury Building, to the Division of Audit and Examination.

Ordered tabled.

Letter dated August 19th from the Chairman of the Federal Reserve Bank of Atlanta, requesting approval of the appointment of the following Acting Assistant Federal Reserve Agents at branches of the Federal Reserve Bank of Atlanta:

Mr. W. E. Miller, New Orleans, Louisiana;
Mr. Thomas Bowron, Birmingham, Alabama;
Mr. M. H. Haughton, Jacksonville, Florida.

Approved, subject to favorable opinion by General Counsel as to eligibility as Acting Assistant Federal Reserve Agents of persons not officers or employees of the Federal Reserve System.

Letters dated August 20th, addressed to The President and The Attorney General by Mr. J. P. Strock, Reading, Pennsylvania, charging the Federal Reserve System with "profiteering". The Governor submitted for approval draft of a reply prepared by him under date of August 26th.

Approved as amended.

REPORTS OF COMMITTEE NO. I:

- Dated August 26th, recommending admission of State institutions as set forth in the auxiliary minute book of this date, subject to the conditions stated in the individual reports attached to each application.
Approved.
- Dated August 26th, recommending action on applications for fiduciary powers as stated in the auxiliary minute book as of this date.
Approved.
- Dated August 21st, recommending approval of application of Edwin B. Malone for permission to serve at the same time with the Kensington National Bank and the Tenth National Bank, both of Philadelphia, Pennsylvania.
Approved.
- Dated August 22d, reporting the employment of Mr. C. W. Ten Eyck in the office of the Consulting Architect, pursuant to authority heretofore granted by the Board.
Noted.
- Dated August 23d, recommending approval of the designation of the following as special examiners of the Federal Reserve Bank of Cleveland:
Mr. M. J. Fleming,
Mr. George De Camp,
Mr. L. W. Manning.
Approved.
- Dated August 25th, recommending elimination of the names of Mr. Charles A. Peple and Mr. Charles A. Wyatt from the list of special examiners of the Federal Reserve Bank of Richmond, their present duties making it impracticable for them to exercise such functions.
Approved.
- Dated August 20th, recommending approval of the appointment of Mr. C. F. Williams as Assistant Examiner, Federal Reserve Bank of San Francisco, to assist in examination of applying State banks in California, at the rate of \$2,000 per annum, effective September 1, 1919.
Approved.

Dated August 25th, recommending increase in the salary authorization of July 31st from \$2,000 to \$2,400 per annum for an Assistant Federal Reserve Examiner, and the appointment as such of Mr. Charles H. Cramer, effective at such date as Mr. Cramer reports for duty.

Approved.

Other business was presented and disposed of as follows:

The Governor read telegraphic correspondence had by him with the Chairman of the Federal Reserve Bank of San Francisco in re eligibility of certain acceptances of the Park Union Foreign Banking Corporation, and submitted for approval draft of telegram to Mr. Perrin under date of August 26th.

Approved.

Letter dated August 22d from the Chairman of the Federal Reserve Bank of Atlanta, advising of the impossibility of securing the consent of the State Superintendent of Banks of Louisiana or of the New Orleans Clearing House Association for the participation of examiners of the Federal Reserve Bank of Atlanta in examinations conducted by those bodies.

Referred to the Governor for reply.

Letter dated August 21st, from the President of the Commercial National Bank, Washington, D. C., requesting review by the Board of its decision in the matter of the application of Mr. Guy T. Scott to serve at the same time as a director of the Continental Trust Company and the Commercial National Bank, both of Washington, D. C.

Referred to Mr. Hamlin for report.

At 1 P.M. the meeting adjourned.


Acting Secretary.

Approved:


Governor.