

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Board on Friday, July 2, 1920, at 12-15 P.M.,

PRESENT: The Governor
Mr. Moehlenpah
Mr. Platt
Mr. Chapman, Secretary.

Business was presented and disposed of as follows:

Application of the First National Bank of Boston, Mass., for permission to accept drafts drawn upon it by banks and bankers located in countries designated by the Board as countries, the usages of trade of which warrant the creation of dollar exchange.

Approved.

Letter dated June 28th from M. Morgenthau, Jr., conveying the suggestion that acceptances for building material be made eligible for discount by Federal Reserve Banks. The Governor submitted for approval draft of reply by him under date of July 1st.

Approved.

Letter dated July 1st from the Comptroller of the Currency, recommending approval of increase in salary from \$3,600 to \$4,000 per annum for Mr. William B. Baker as National Bank Examiner, effective July 1, 1920.

Approved.

-2-

Letter dated July 1st from the Chairman, Federal Reserve Bank of Richmond, recommending approval of the appointment of Mr. D. Scott Donohue in the Auditing Department of the Baltimore Branch of that Bank, at a salary of \$2,400 per annum, effective July 15, 1920.

Approved.

The Governor stated that it was to be expected that prior to the next stated meeting of the Board, further requests would be received from Federal Reserve Banks for permission to establish rates on paper secured by United States certificates of indebtedness the same as the rate borne by such certificates, with a minimum of 5% in all cases.

Voted that the Governor be authorized to approve all such requests as may be received prior to the next stated meeting of the Board.

Letter dated July 1st from the Chairman, Federal Reserve Bank of Boston, asking that the Board authorize that Bank to pay the traveling expenses of its directors residing at Providence, Rhode Island, and Worcester, Mass., when attending meetings of their Board, in view of the fact that these cities are located approximately 40 miles from the City of Boston, and are not in any way suburbs of that city.


Approved.

-3-

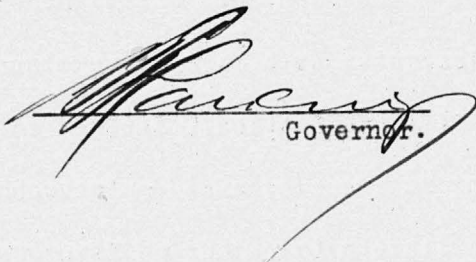
Letter dated June 26th from the Governor, Federal Reserve Bank of Chicago, submitting report of committee appointed to study the question of the issue and redemption of Federal Reserve currency, and to make suggestions for increasing the reserve supply of new currency held by Federal Reserve Banks.

Voted that the Secretary be authorized to advise Mr. McDougal that the Board sees no objection to carrying out the plan suggested by the committee, but desires that copies thereof be submitted for criticism and suggestion to all Federal Reserve Agents as well as Governors of Federal Reserve Banks.

At 12-50 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.