

At a meeting of the Federal Reserve Board held in the office of the Board on Wednesday, July 14, 1920, at 11-15 A.M.,

PRESENT: The Chairman  
The Governor  
Mr. Moehlenpah  
Mr. Platt  
Mr. Williams  
Mr. Emerson, Assistant Secretary.

PRESENT ALSO:  
Mr. Logan, General Counsel  
Mr. Angell, Assistant Counsel.

Minutes of meeting of the Executive Committee held July 13th were read, and on motion the action of the Committee therein set forth was ratified.

Business was presented and disposed of as follows:

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

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rate 5-1/2% on paper secured by certificates of indebtedness; 6% on paper secured by Liberty bonds and Victory notes, and 7% on commercial paper, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 12th	Dallas	Boston	\$4,500,000	-

Noted.

-2-

The Governor submitted draft of letter to Mr. J. E. Crane, Manager, Foreign Department, Federal Reserve Bank of New York, advising of the distribution to be made of the net profits arising out of the shipment of silver dollars to the Orient by the International Banking Corporation, the Park Union Foreign Banking Corporation and the Asia Banking Corporation, under the agreement with the Federal Reserve Board dated December 6, 1919.

Approved.

The Governor submitted memorandum from Assistant Counsel Angell with reference to subscriptions to Federal Reserve Bank stock by newly organized National banks, together with draft of letter to Chairman Ramsay with reference to the application of the Picher National Bank, Picher, Oklahoma, for stock in the Federal Reserve Bank of Kansas City.

Approved.

Letter dated July 7th from the Chairman, Federal Reserve Bank of San Francisco, recommending approval of the establishment at that Bank of progressive penalty rates for deficient reserves of member banks, in accordance with the Board's letter (X-1584) of June 13, 1919.

Approved.

Letter dated July 7th from the Chairman, Federal Reserve Bank of San Francisco, submitting a list of changes in

-3-

the designation of certain officials of that Bank and its branches.

Approved.

Letter dated July 10th from the Chairman, Federal Reserve Bank of Atlanta, advising of the resignation of Mr. Bradley Currey as Manager of the Nashville Branch of that Bank, and submitting for approval of the Board the appointment of Mr. J. B. McNamara, at present Cashier of that Branch, to be Manager, at a salary of \$3,600 per annum, and the appointment of Mr. Joel B. Fort as Cashier of the Branch at a salary of \$2,400 per annum.

Approved.

Letter dated July 12th from the Chairman, Federal Reserve Bank of Chicago, advising that it has been deemed desirable for the Assistant Federal Reserve Agent at the Detroit Branch to carry on hand a reserve stock of approximately \$15,000,000 in Reserve notes, and that as there is not sufficient vault space in the Detroit Branch to permit, it is proposed to rent suitable vaults for this purpose from the Wayne County & Home Savings Bank of Detroit.

Referred to the Governor with power.

Telegram dated July 14th from the Chairman, Federal

-4-

Reserve Bank of Philadelphia, advising that the Board of Directors of that Bank at a special meeting held today had adopted the following resolution:

RESOLVED, that it is the judgment of the Board that the proposition submitted by the Governor for a change in discount rates on member banks collateral notes would be an injustice to many subscribers to Government obligations, who have sold and taken their losses in the general public interest, and would be a step backward in the orderly and desirable process of liquidation, and that for these reasons the proposition be disapproved.

Noted.

On motion duly made and seconded, the Governor was authorized to advise the Chairmen of the Federal Reserve Banks of Atlanta and Dallas that as it is believed that the plan of granting special rates on member bank collateral notes secured by Government war obligations in one district would invite pressure for like action in other districts, and as there are so many possible complications, the Board desires further time to investigate the matter from the standpoint of the System as a whole; that this will require some time, and that no action may be taken in any event until absent members of the Board return. The Governor was also authorized to advise the Chairmen that meanwhile the policies of their Banks should be shaped without reference to the Board's ultimate action on the pending proposition, and that as Federal Reserve Agents they need not make any change in the established practice re-

-5-

garding security for Federal Reserve notes.

REPORTS OF COMMITTEE NO. 1:

Dated July 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 July 13th, recommending approval of applications of the following to serve at the same time as officers or directors of the Cherry Creek National Bank, Cherry Creek, N.Y., and the Farmers & Mechanics Bank, Jamestown, N.Y.:

H. P. Robertson

Harold E. Crissey

Approved.

Dated July 13th, recommending approval of application of James K. Ottley to serve at the same time as President and Director, Fourth National Bank, and as Treasurer and Director of the Atlanta Savings Bank, both of Atlanta, Ga.; also as Class A Director of the Federal Reserve Bank of Atlanta.

Approved.

Dated July 13th, recommending approval of application of William P. Sharer to serve at the same time as President and Director of the First National Bank, and of the First Trust & Savings Bank, both of Zanesville, Ohio; also as a director of the Citizens Trust & Savings Bank, Columbus, Ohio.

Approved.

Dated July 13th, recommending approval of application of Claud Gatch to serve at the same time as Director and Vice President of the Central National Bank, and of the Central Savings Bank, both of Oakland, California.

Approved.

(At this point Mr. Williams joined the meeting)

-6-

Dated July 12th, recommending approval of the employment of a computer in the Division of Analysis and Research for thirty days at \$130 per month.  
Approved.

Dated July 13th, recommending for approval, increase in salary from \$1,500 to \$1,800 per annum for Mr. M. H. Rice, Statistical Assistant in the Division of Analysis and Research.  
Approved.

Memorandum dated July 13th by the Executive Secretary, with reference to four letters of July 8th from the Chairman, Federal Reserve Bank of Dallas, on the subject of bonus payments to employees of that Bank, and recommending certain increases in salaries.

On motion duly made and seconded, it was voted to disapprove the recommendations of the Federal Reserve Bank of Dallas that bonus be granted to officers of that Bank below the rank of Deputy Governor receiving salaries in excess of \$5,000.

Voted further to approve the payment of quarterly bonus to employees of the Federal Reserve Bank of Dallas at the same rate paid during the six months ending June 30, 1920, for the quarters ending September 30 and December 31, 1920, and to approve the increases in salaries of employees of the Federal Reserve Agent's Department, and of the employees of the Federal Reserve Bank proper, as recommended in Mr. Ramsey's letter of July 8th.

Dated July 9th, recommending approval of increases in salaries of employees of the Federal Reserve Issue and Redemption Division, effective July 1, 1920, as follows:

-7-

	<u>From</u>	<u>To</u>
W. J. Tucker,	\$2,250	\$2,500
W. K. Durnbaugh,	1,800	2,040
Helen P. Wedderburn,	1,640	1,880
Searing T. Dashiell,	1,500	1,740
Thomas J. Murray,	1,440	1,620
Otis M. Hester,	1,020	1,260
Lillian H. Hicks,	1,320	1,500
Annie M. Staton,	1,320	1,500
Martha J. Martin,	1,260	1,500
Martha Garrison,	1,140	1,400
Gertrude E. Croe,	1,140	1,400
Minnie H. Forsythe,	1,140	1,400
George A. Gailles,	1,080	1,320
Helen M. Beattie,	1,260	1,500
Julia Kinsolving,	1,260	1,500
Fannie P. Meade,	1,260	1,500
Susan U. Snead,	1,320	1,500
Lillian M. Stanowsky,	1,260	1,500
Theresa Barrow,	1,140	1,400
Margaret M. Bicknell,	1,140	1,400
Madeline C. Emerson,	1,200	1,400
Mary E. Everett,	1,260	1,400
Alys E. Gott,	1,200	1,400
Bertha E. Handy,	1,140	1,400
Elizabeth C. Jenkins,	1,200	1,400
S. Louisa Mason,	1,200	1,400
Rosina Mordecai,	1,140	1,400
Mary C. Mulvihill,	1,260	1,400
Julia D. Murphy,	1,200	1,400
Ruthette M. Penn,	1,200	1,400
Hallie L. Tharp,	1,200	1,400
Fannie H. Young,	1,140	1,400
Lillian F. Augusterfer,	1,140	1,380
Ruth Murphy,	1,140	1,380
M. Audrey Herron,	1,140	1,380
S. Myrtle Heale,	1,080	1,320
Caroline B. Quesenberry,	1,080	1,320
Pauline C. Fred,	1,020	1,260
Clara M. Reddington,	1,020	1,260

-8-

	<u>From</u>	<u>To</u>
Lilybec C. Cobb,	\$1,140	\$1,320
Ada F. Crafford,	1,140	1,320
Eva M. Devine,	1,140	1,320
Annie M. Drewett,	1,140	1,320
Dorothy M. Reeder,	1,140	1,320
Mary E. Sheffer,	1,140	1,320
Belle H. Bohn,	1,020	1,200
Addie K. Burchard,	1,020	1,200
Virginia M. Fellows,	1,020	1,200
Natalie W. Furniss,	1,020	1,200
Dorothea A. Herd,	1,020	1,200
Virginia B. Hereford,	1,020	1,200
Virginia King,	1,020	1,200
Mary L. Soule,	1,020	1,200

Approved.

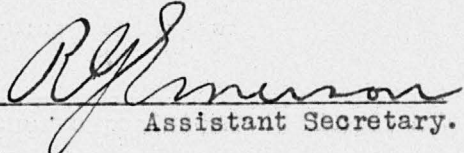
Dated June 28th, recommending that the official designation of certain employees of the Federal Reserve Issue and Redemption Division be changed to the following:

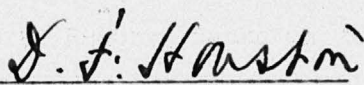
William J. Tucker,	Asst. Chief of Division
Walter K. Durnbaugh,	Teller
Searing T. Dashiell,	Asst. Teller
Thomas J. Murray,	Asst. Teller
Otis M. Hester,	Asst. Teller
Lillian H. Hicks,	Chief Bookkeeper
Annie M. Staton,	Bookkeeper
Martha J. Martin,	Bookkeeper
Martha Garrison,	Bookkeeper
Minnie H. Forsythe,	Record Clerk
Gertrude E. Croe,	Typist
George Arthur Gailes,	Clerk

Approved.

At 1-45 P.M., the meeting adjourned.

Approved:

  
Assistant Secretary.

  
Chairman.