

At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, July 20, 1920, at 11 A.M.,

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

PRESENT ALSO:
 Mr. Logan, General Counsel.

Minutes of meeting of the Executive Committee held July 15th 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 that on July 16th a majority of the members of the Board had approved for the Federal Reserve Bank of Richmond, effective July 19th, the rates of 5-3/4% and 6% against United States certificates of indebtedness bearing those rates respectively, with a minimum rate of 5-1/2% against paper secured by other United States certificates of indebtedness.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business July 17th, and the status of rediscounts between Federal Reserve Banks as of the same date.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory

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notes secured by Government obligations: rate 5-1/2% on paper secured by certificates of indebtedness, and 6% 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 14th	Minneapolis	Cleveland	\$1,500,000	11-15 days
July 15th	Richmond	Cleveland	5,000,000	"
July 16th	Minneapolis	Cleveland	1,500,000	"

Noted.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rate 6% 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 15th	St. Louis	Cleveland	\$4,000,000	31-90 days
"	Kansas City	Cleveland	3,000,619.14	104-166 days

Noted.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rates same as those borne by certificates, with minimum of 5-1/2%, 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 15th	Atlanta	Boston	\$894,000	6-15 days
"	Atlanta	Boston	375,000	9-21 days

Noted.

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The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rates same as those borne by certificates, with minimum of 5-1/2%; 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 14th	Dallas	Boston	\$1,500,000	-
July 15th	Dallas	Boston	5,500,000	-

Noted.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rates same as those borne by certificates, with minimum of 5-1/2%, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 16th	Kansas City	Boston	\$2,500,000	10-15 days
July 16th	Chicago	New York	9,000,000	Within 15 days

Noted.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rate 7% on commercial paper, as follows:

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<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 16th	Kansas City	New York	\$1,511,683	48-66 days
"	St. Louis	New York	3,000,000	31-90 days
"	Atlanta	New York	1,250,000	10 and 11 days
July 15th	Atlanta	Boston	2,000,000	30-90 days
July 19th	St. Louis	Boston	5,000,000	31-90 days

Noted.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rates same as those borne by certificates, with minimum of 5-1/2%, and 5-3/4% 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 19th	Dallas	Cleveland	\$1,250,000	11-15 days

Noted.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rates same as those borne by certificates, with minimum of 5-1/2%, and 6% 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 19th	Richmond	Cleveland	\$10,000,000	11-15 days

Noted.

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Application of the Second National Bank of Allegheny, Pittsburgh, Pa., for reduction of its required reserve against demand deposits from ten to seven per cent.

Approved.

Letter dated July 7th from Deputy Governor Worthington of the Federal Reserve Bank of Kansas City, making inquiry as to the requisites of a time certificate of deposit, together with memorandum by Assistant Counsel dated July 15th. The Governor submitted for approval, draft of reply by him dated July 16th, embodying the views of counsel.

Approved.

Letter dated July 14th from the Governor, Federal Reserve Bank of Minneapolis, inquiring as to whether or not under the provisions of the Federal Reserve Act and the Regulations of the Federal Reserve Board, a Federal Reserve Bank must, when rediscounting an unsecured note for a member bank, request that the statement of the maker of the note show an excess of current assets over current liabilities. The Governor read a memorandum on the subject by General Counsel, dated July 19th.

Voted that the Governor reply to Mr. Young in line with General Counsel's opinion.

Application of the Lincoln Trust Company, New York

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City, for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13 of the Federal Reserve Act.

Approved.

Letter dated July 12th from Deputy Governor Harrison of the Federal Reserve Bank of New York, in re fee of special counsel for proposed committee on Inter-Federal Reserve Banks Pension Fund.

Tabled for meeting of the Board to be held July 27, 1920.

Letter dated July 13th from the Governor, Federal Reserve Bank of Kansas City, advising of the expected opening of the Oklahoma City Branch of that Bank on August 2d, and requesting authority to contract for private telegraph wire to connect the Branch with the parent bank at a cost of \$678. per month.

Approved.

Letter dated July 15th from Vice-President Cosby of the National City Bank of New York, advising that in view of the heavy tax imposed by the Spanish Government on foreign banks doing business in Spain, that Bank, with the approval of the Spanish authorities, has arranged that the Spanish branch of the National City Bank, including the offices at

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Madrid and Barcelona, be transferred to the International Banking Corporation of New York as of May 1, 1920, and requesting the Board's approval of such transfer.

Voted that the Board will interpose no objection to the transfer.

Letter dated July 14th from the Chairman, Federal Reserve Bank of Dallas, advising of certain changes in the organization of that Bank consequent upon the losses incurred in the failure of the Bank of Ranger, Ranger, Texas.

Referred to the Governor with power.

REPORTS OF COMMITTEE NO. 1:

Dated July 19th, recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated July 19th, recommending approval of applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated July 19th, recommending approval of application of Louis F. Swift to serve at the same time as a director of the Live Stock Exchange National Bank, Chicago, Ill., the First National Bank, Lake Forest, Ill., and the National Bank of the Republic, Chicago, Ill.

Approved.

Dated July 19th, recommending approval of appointment of Mr. J. E. Beale as Assistant Examiner at the Federal Reserve Bank of San Francisco, effective July 20, 1920.

Approved.

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Dated July 15th, recommending approval of appointment of Mr. George J. Trepagnier as Clerk in the Auditing Department of the El Paso Branch at \$150 per month, effective July 16, 1920.

Approved.

Dated July 20th, recommending approval of appointment of Miss Irene M. O'Rourke as Stenographer in the office of Secretary of the Board, at \$1,500 per annum, effective upon reporting for duty, vice Miss Ida Schuman, resigned.

Approved.

Dated July 20th, recommending approval of application of Carlisle Johnson, Messenger on the Board's staff, for 5-1/2 days of additional leave without pay.

Approved.

Other business was presented and disposed of as follows:

Letter dated July 19th from Consulting Architect Trowbridge, recommending that the Federal Reserve Bank of Dallas be authorized to make an expenditure of \$6,600, more or less, for the installation of a thermostatic control over the heating system in its new bank building.

Approved.

The Governor read a letter addressed to him under date of July 19th from Representative Mondell, making complaint as to the treatment accorded the wool industry by the Federal Reserve System, and submitted for approval, letter by him dated today, addressed to the Governor, Federal Re-

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serve Bank of Kansas City, calling his attention to the policy of the Board in this respect.

Approved.

The Governor read a letter addressed to him under date of July 14th by the Acting Secretary, Department of Agriculture, and reply by him dated July 16th, with respect to the treatment of cotton loans by banks and Federal Reserve Banks in the cotton section, and stated that the Department of Agriculture desires to make public his reply.

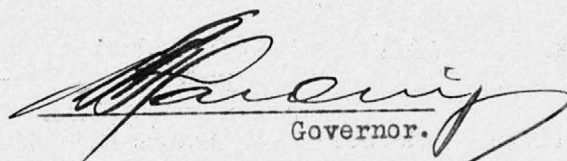
Voted that the Department of Agriculture be authorized to make public the Governor's letter.

At 12-30 P.M., the meeting adjourned.



Secretary.

Approved:



Governor.