

At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, July 27, 1920, at 11 A.M.,

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

PRESENT ALSO:
Mr. Angell, Assistant Counsel.

Minutes of meeting of the Board held July 22d were read, and on motion approved.

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 24th, 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 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 22d	Dallas	New York	\$4,000,000	11-15 days
"	Dallas	New York	3,000,000	"
July 23d	Richmond	Cleveland	5,000,000	"
"	Dallas	New York	1,000,000	"
July 26th	Dallas	Boston	5,000,000	"
July 25th	Kansas City	Boston	2,000,000	8-15 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 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 23d	Minneapolis	Cleveland	\$1,500,000	11-15 days
"	St. Louis	Boston	5,000,000	Within 15 days
July 24th	Minneapolis	New York	2,500,000	11-15 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:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 22d	Atlanta	New York	\$1,185,000	Within 12 days
July 23d	Atlanta	New York	1,562,700	8-90 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%.

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as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 24th	Atlanta	New York	\$1,662,500	11-15 days
July 22d	Atlanta	New York	2,327,000	8-15 days

Noted.

Application of the Maryland Trust Company, Baltimore, Md., 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.

Memorandum dated July 24th by Assistant Secretary, recommending approval of application of the Lincoln Trust Company of New York for permission to accept drafts drawn upon that Company by banks and bankers in Argentina, Peru and Chile for the purpose of creating dollar exchange.

Approved.

Letter dated July 20th from the Director, Division of Analysis and Research, recommending that 25 copies of edition No. 2 of the Federal Reserve Bulletin be forwarded each month to the Agent's Department of each Federal Reserve Bank for distribution to firms cooperating in furnishing information on business conditions.

Approved.

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Letter dated July 23d from the Railway Loan Advisory Committee to the Board, recommending that the Board approve a loan of \$235,400 to the Salt Lake & Utah Railroad Company, under the provisions of Section 210 of the Transportation Act of 1920.

Approved.

Letter dated July 22d from Mr. Arthur Mayer of New York City, requesting reservation of the title "American Overseas Trust" for a corporation intended to be organized under Section 25 (a) of the Federal Reserve Act.

Voted to approve such reservation until October 1, 1920.

The Governor presented to the meeting, orders executed by The President under date of July 23, 1920, redesignating him as Governor of the Federal Reserve Board for the period August 12, 1920, to August 10, 1922, and designating Mr. Edmund Platt as Vice-Governor of the Board for the period July 23, 1920, to August 10, 1922, pursuant to Section 10 of the Federal Reserve Act.

Noted.

Letter dated July 26th from Mr. Albert Strauss, inquiring if there would be any impropriety in his serving as an officer or director of the Mercantile Bank of the Americas, which is not a member bank, in view of the fact that he did not complete his

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term of office as a Member of the Federal Reserve Board.

Voted that the Board sees no objection to such service by Mr. Strauss, in view of the fact that the institution concerned is not a member bank.

Telegram dated July 27th from the Governor, Federal Reserve Bank of Cleveland, in re holding of real estate by Federal Reserve Banks.

Referred to General Counsel for opinion.

REPORTS OF COMMITTEE NO. 1:

Dated July 27th, 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 26th, recommending approval of applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated July 26th, recommending approval of application of Mr. G. M. Whitmore to serve at the same time as a director of the National Copper Bank, Salt Lake City, Utah, and of the First National Bank, Nephi, Utah.

Approved.

Dated July 26th, recommending approval of application of Mr. John P. Stevens to serve at the same time as a director of the Hanover National Bank and the Columbia Bank, both of New York City; also of the Plainfield Trust Company, Plainfield, New Jersey.

Approved.

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Dated July 26th, recommending approval of application of Mr. R. J. Potts to serve at the same time as a director and officer of the Commonwealth National Bank of Kansas City, Mo., and of the First National Bank, Holyrood, Kansas.

Approved.

Dated July 21st, recommending approval of appointments at the Federal Reserve Bank of Boston at the following salaries:

Mr. Krickel Carrick, \$5,000 per annum
Mr. Frederick L. Macalister, 2,400 "
Approved.

Dated July 22d, recommending approval of salaries for National Bank Examiners as follows:

Mr. John W. Sheetz, \$2,400 per annum
Mr. George M. Trammell, 2,400 "
Approved.

Dated July 24th, recommending that the salary of Mrs. L. F. Holcombe, Stenographer to the Railway Loan Advisory Committee, be increased from \$1,400 per annum with bonus, to \$1,800 per annum without bonus, effective July 15, 1920.

Voted to approve increase of \$160 per annum in Mrs. Holcombe's basic pay, making the same \$1,560 per annum, plus \$240 bonus, or a total compensation of \$1,800 per annum.

Other business was presented and disposed of as follows:

Memorandum dated July 26th by Mr. Hoxton, recommending approval of increases in salaries of employees of the Federal Reserve Bank of Dallas, as submitted with letter from the Chairman of that Bank dated July 21, 1920.

Approved.

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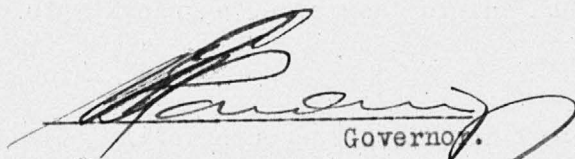
Letter dated July 24th from Deputy Governor Harrison of the Federal Reserve Bank of New York, with regard to the interpretation of that part of Section 13 of the Federal Reserve Act which prohibits a member bank from accepting the drafts of any one customer to an amount in excess of ten per cent of the accepting bank's capital and surplus "unless the bank is secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance", and the interpretation of a somewhat similar restriction in the regulations of the Board governing acceptances made by State institutions doing a foreign business in which national banks are permitted to invest. The Governor submitted for approval, draft of reply by him under date of July 27th.

Approved.

At 1-15 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.