

At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, August 3, 1920, at 11 A.M.,

PRESENT: The Governor
Mr. Platt
Mr. Miller
Mr. Hamlin
Mr. Chapman, Secretary.

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

Minutes of meeting of the Board held July 29th were read, and on motion approved.

Business was presented and disposed of as follows:

The Governor submitted for approval, proposed letter to be sent to all Federal Reserve Agents in the event the Secretary of the Treasury should request the Board to announce the removal with certain limitations of the existing restrictions upon exchange transactions with Russia, and the importation of Russian paper currency.

Approved, and ordered submitted to the Treasury Department for its approval.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business July 31st, 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

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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 29th	Dallas	New York	\$3,000,000	11-15 days
July 31st	Richmond	Boston	10,000,000	"
Aug. 2d	Richmond	Cleveland	5,000,000	"

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%, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 29th	Kansas City	New York	\$1,000,000	12-14 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 29th	Kansas City	New York	\$2,009,897.76	60-158 days
July 28th	Atlanta	Boston	1,055,000	Within 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 Rediscounting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 30th	St. Louis	Boston	\$5,000,000	Within 15 days
July 30th	Minneapolis	New York	1,500,000	11-15 days
July 31st	Minneapolis	Cleveland	1,000,000	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 6% on commercial paper, as follows:

<u>Date</u>	<u>Bank Rediscounting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 29th	Atlanta	Cleveland	\$2,000,000	15-85 days
July 31st	Atlanta	Cleveland	3,000,000	16-90 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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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 30th	Dallas	New York	\$3,500,000	- -

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 29th	Dallas	Cleveland	\$4,000,000	11-15 days

Noted.

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rates same as those borne by certificates, with minimum of 5-1/2%, and 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 30th	Atlanta	Cleveland	\$987,500	7-15 days
Aug. 2d	Kansas City	Cleveland	1,000,000	12-14 days
July 30th	Atlanta	Cleveland	440,000	50-85 days
Aug. 2d	Kansas City	Cleveland	5,004,306.92	37-133 days

Noted.

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The Governor read a letter addressed to him under date of July 27th by the President, Kansas City Motor Car Dealers Association, Kansas City, Missouri, protesting against the newspaper report of speech made by the Chairman of the Federal Reserve Bank of Kansas City, discouraging the loaning of money to the automobile industry. The Governor also read a reply by him under date of July 30th.

Noted.

The Governor read a letter addressed by him under date of July 31st to the Governor, Federal Reserve Bank of Atlanta, in re treatment by that Bank of so-called packers' paper.

Noted.

Letter dated July 12th from Deputy Governor Harrison of the Federal Reserve Bank of New York, recommending approval of the employment at a maximum fee of \$10,000 of special counsel to the Inter Federal Reserve Bank Pension Fund Committee.

Voted to approve a maximum fee of \$7,500 per annum.

Letter dated July 20th from Vice-President Neilson of the Mercantile Bank of the Americas, in re financing of the Cuban sugar crop by means of acceptances. The Governor submitted for consideration of the Board, draft of reply by him under date of July 23d.

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Referred to Mr. Hamlin for report.

Letter dated July 26th from the Chairman, Federal Reserve Bank of New York, recommending the employment of Mr. George A. Brakeley on a three months' tentative basis at the rate of \$700 to \$800 per month, to prepare material to acquaint the public with the discount policy of the Federal Reserve Bank, the reason for the increase or decrease in the market value of Liberty bonds, and the principles which should guide borrowers in making demands at this time upon their banks.

Referred to Mr. Miller for report.

Application of the First National Bank, New Haven, Connecticut, for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, under the provisions of Section 13.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated August 3d, 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 29th, recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

Approved.

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Dated August 2d, recommending approval of the following increases in salaries of employees of the Board, under the new plan of classification of employees as set forth in the auxiliary minute book on salaries as of this date:

	<u>From</u>	<u>To</u>
Miss Frances M. Mooney	\$1,440	\$1,500
Mrs. Lulu C. Richardson	1,680	1,730
Mr. Lorne C. Comley,	1,500	1,560

Approved.

Dated August 3d, recommending approval of appointment of Mr. E. W. Baker as Stenographer in the Board's Division of Examination at \$1,500 per annum, effective upon reporting for duty.

Approved.

Dated August 2d, recommending approval of adjustments in salaries of employees of the Houston Branch of the Federal Reserve Bank of Dallas, with aggregate increase of \$270 per month.

Approved.

Dated July 31st, submitting resignation of Mr. George L. Hamilton as Federal Reserve Examiner, effective at the close of business, August 31, 1920.

Accepted.

Dated August 2d, recommending approval of employment of Mr. John H. Mariano in the Board's Division of Analysis and Research for a period of sixty days, at the rate of \$1,600 per annum.

Approved.

Dated July 29th, recommending approval of salary of \$3,000 per annum for Mr. Samuel A. Moore as National Bank Examiner.

Approved.

Dated July 31st, recommending approval of salary of \$3,300 per annum for Mr. Granville M. McClerkin as National Bank Examiner in the 10th Federal Reserve District.

Approved.

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Dated August 2d, recommending approval of salary of \$2,400 per annum for Mr. Russell T. August as National Bank Examiner in the Second Federal Reserve District.

Approved.

Dated August 2d, submitting list of changes made in the National Bank Examining force during July, 1920.

Noted.

Letter dated July 29th, from the Federal Reserve Agent at Dallas, recommending modification of the record so as to show the salary of Mr. J. L. Hermann, Manager of the Transit Department of the Federal Reserve Bank of Dallas at \$3,300 per annum instead of \$3,600 per annum.

Approved.

Letter dated July 24th from the Chairman, Federal Reserve Bank of St. Louis, advising of the election of Messrs. S. F. Gilmore, E. C. Adams and F. N. Hall as Assistant Cashiers of that Bank, at their present salaries.

Noted.

Letter dated August 2d from the Railway Loan Advisory Committee to the Board, recommending that the Board approve a loan of \$300,000 to the Western Maryland Railway Company, under the provisions of Section 210 of the Transportation Act of 1920.


Approved.

At 1 P.M., the meeting adjourned.

Approved:



Governor.



Secretary.