

At the adjourned meeting of the Federal Reserve Board held at the office of the Board at 3 p. m., on Tuesday, August 25, 1914.

PRESENT:

Mr. C. S. Hamlin	Mr. Adolph C. Miller
Mr. Frederic A. Delano	Mr. W. P. G. Harding
Mr. John Skelton Williams	Mr. Paul M. Warburg

Mr. C. S. Hamlin, Governor of the Board, acted as Chairman of the meeting and Mr. M. C. Elliott as Secretary.

The Committee appointed to submit a proposed amendment to the Federal Reserve Act made its report and after general discussion the following resolution was offered, seconded and duly adopted:

RESOLVED: That the Federal Reserve Board recommend to the Secretary of the Treasury and to Congress that the two paragraphs of Section 13 of the Federal Reserve Act, on page 15 of the Act, as it appears in Public Document No. 43 63d Congress, H. R. 7837, and which read as follows:

(A) "Any Federal Reserve bank may discount acceptances which are based on the importation or exportation of goods and which have a maturity at time of discount of not more than three months, and indorsed by at least one member bank. The amount of acceptances so discounted shall at no time exceed one-half the paid-up capital stock and surplus of the bank for which the rediscounts are made."

- "Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of
- (B) goods having not more than six months sight to run; but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half its paid-up capital stock and surplus,"

be amended and re-enacted to read as follows:

"Any Federal Reserve bank may discount acceptances which have a maturity at the time of discount of not more than three months and are endorsed by at least one member bank and which are based:

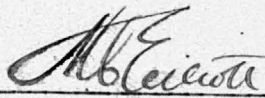
- (A) (a) Upon the importation or exportation of goods or
- (b) Upon the domestic sale or consignment of goods to be delivered to purchaser or consignee by or before the maturity of such acceptances."

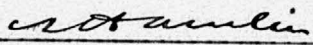
- "Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods and having not more than six months sight to run, or drafts or bills of exchange having not more
- (B) than three months sight to run, drawn upon it and based upon the domestic sale or consignment of goods to be delivered to purchaser or consignee on or before the maturity of such acceptances, but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half its paid-up capital stock and surplus without the express permission in writing of the Federal Reserve Board."

The Secretary was directed to notify the Secretary of the Treasury at once of this recommendation by the Board.

On motion the meeting adjourned to meet again at 10:30 a. m. on Wednesday, August 26th.

APPROVED:


Secretary pro tem.


Chairman.

Page..... Meeting AUG 25 1914

 Sec'y.