

At a special meeting of the Federal Reserve Board
held in the office of the Board on Tuesday, December 30, 1919,
at 3-10 P.M.,

PRESENT: The Governor
Mr. Strauss
Mr. Miller
Mr. Hamlin
Mr. Williams
Mr. Chapman, Secretary.

PRESENT ALSO:
Mr. R. C. Leffingwell, Assistant
Secretary of the Treasury.

Business was presented and disposed of as follows:

The Governor stated that subsequent to making his statement before the Board today with respect to the attitude of the Treasury Department toward an increase of Federal Reserve discount rates on paper secured by certificates of indebtedness, he had talked with Mr. Jay, Chairman of the Federal Reserve Bank of New York, who informed him that the directors of that Bank were unanimously of the opinion that their discount rate on paper secured by certificates of indebtedness should be put at 4-3/4%, effective tomorrow. The Governor then asked Mr. Leffingwell for an expression of his views in the light of the statement made by the New York directors.

Mr. Leffingwell stated that while he believed that such an increase at this time would not be a wise move, he did not feel that the increase, if made, would interfere in any

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way with the sale of the 4-3/4% certificates of indebtedness offered today.

On motion duly seconded, it was voted that the Governor advise the Federal Reserve Bank of New York that the Board was prepared to approve the increase of their rate on paper secured by certificates of indebtedness to 4-3/4% for all maturities up to 90 days.

The Governor then communicated the decision of the Board to Mr. Jay by telephone, and informed the Board that the Federal Reserve Bank would make such increase of rate effective tomorrow.

The Governor was thereupon authorized to send the following telegram to all Federal Reserve banks, except New York:

"The Federal Reserve Board has approved for Federal Reserve Bank of New York, effective tomorrow, rate of 4-3/4% on paper of all maturities secured by Treasury certificates of indebtedness regardless of rate borne by certificates. This gives New York a uniform rate of 4-3/4% on all classes of paper including trade and bankers acceptances up to 90 days. Board is prepared to approve for all Federal Reserve banks schedules abolishing preferential rates in favor of paper secured by Treasury certificates and making rates uniform for all classes of paper up to 90 days."

On motion duly seconded, it was voted that the Board make public the following statement regarding its action in approving the increased discount rates:

"The Federal Reserve Board has telegraphed all Federal Reserve banks that it will approve a schedule of rates doing away with the preferential rate heretofore given to paper secured by certificates of indebtedness, the differentials in

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favor of paper secured by other Government obligations having been abolished by action taken earlier in the month.

Mr. Miller stated that request had been made that there be published in the Federal Reserve Bulletin a copy of the questionnaire formulated by the Board to be used in surveying employees of Federal Reserve banks, and requested authority to make such publication.

Approved.

Telegram dated December 29th from the Federal Reserve Bank of San Francisco, requesting date upon which the annual report of that Bank may be released for publication.

voted to authorize the Federal Reserve Bank of San Francisco to exercise its discretion as to date of release of its annual report.

voted further, to transmit notice of such action to all Federal Reserve banks for their information.

Telegram dated December 29th from the Chairman, Federal Reserve Bank of San Francisco, requesting the views of the Board as to the advisability of that Bank releasing certain figures, including the earnings of the Bank, in advance of publication of the Annual Report of the Federal Reserve Board.

voted to authorize the Chairman, Federal Reserve Bank of San Francisco, to exercise his


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discretion in making public figures relating to the earnings of that Bank.

At 4-35 P. M., the meeting adjourned.


Secretary.

Approved:


Governor.