

At a meeting of the Federal Reserve Board held in the office of the Board on Friday, January 23, 1920, at 12-30 P.M.,

PRESENT: The Governor  
 Mr. Strauss  
 Mr. Miller  
 Mr. Hamlin  
 Mr. Moehlenpah  
 Mr. DeLaMater, Secretary of Meeting.

Business was presented and disposed of as follows:

Telegram dated January 23d from the Chairman, Federal Reserve Bank of San Francisco, advising that changes in discount rates would be considered by the Board of Directors of that Bank on Monday, January 26th.

Noted.

Telegram dated January 23d from the Governor, Federal Reserve Bank of Dallas, inquiring whether the question of discount rates for that Bank could be considered by the Board of Directors at its next regular meeting early in February, or whether it should be considered by the Executive Committee of five, on Thursday, January 29th.

The Governor reported that Mr. Van Zandt had been advised that the question might be considered by the Executive Committee on January 29th.

Telegram dated January 22d from the Governor, Federal Reserve Bank of Kansas City, requesting permission to adopt for that Bank the same schedule of discount rates as approved for the Federal Reserve Bank of New York, effective January 23d.

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Approved.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business January 21st, and the status of rediscounts between Federal Reserve banks as of the same date.

Telegram dated January 23d from the Federal Reserve Bank of Richmond, requesting permission to adopt the same schedule of discount rates as approved on January 22d for the Federal Reserve Bank of New York, effective January 23d.

Approved.

Letter dated January 14th from Mr. M. J. Dowling, Chairman, Committee of Five, American Bankers Association, suggesting that the Federal Reserve Board submit by friendly suit the case of a national bank against a Federal Reserve Bank in the Federal courts for the purpose of clarifying such portions of the Federal Reserve Act, as amended, in which there is a decided disagreement between the majority of banks in the United States and the Federal Reserve Board. The Governor submitted draft of reply dated January 22d.

Approved.

Memorandum dated January 23d from General Counsel with reference to Senate Bill 3770, introduced by Senator Owen to amend the Federal Reserve Act substantially as follows:

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"That no member bank of the Federal Reserve System shall charge a rate of interest in excess of six percentum per annum on loans secured by stocks or bonds as collateral and made subject to call, or having a term of less than thirty days."

The Governor also presented a letter from Senator McLean dated January 22d, requesting the views of the Governor and of the Federal Reserve Board as to the effect of this bill.

(At this point Mr. Williams joined the meeting)

Voted that the Governor prepare reply stating his personal views, to be submitted to the Board, the members of which could either adopt the Governor's views or if they preferred, might submit their own.

The Governor presented draft of reply by him to letter of January 16th of President James B. Forgan of the Federal Advisory Council, with reference to recommendations made by the Council at its last meeting.

Approved.

Memorandum dated January 20th by General Counsel with reference to bill, H.R.11,918, introduced by Mr. McFadden, providing for amendment of Section 9 of the Federal Reserve Act, permitting State bank or trust company members of the Federal Reserve System to be designated by the Secretary of the Treasury as depositaries of public monies, or employed as financial agents of the Government.

Noted.

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Memorandum dated January 21st by Mr. Imlay, with letter of January 16th from the Federal Reserve Agent at Kansas City, advising of notice of intention to withdraw from the System by the Kansas Reserve State Bank, Topeka, Kansas.

Noted.

Memorandum dated January 22d by Mr. Imlay, advising of notice of intention to withdraw from the System by the State Savings Bank, Caro, Michigan.

Noted.

REPORTS OF COMMITTEE NO. 1:

Dated Jan. 22d, recommending changes in stock at Federal Reserve banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated Jan. 22d, recommending approval of applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated Jan. 23d, recommending temporary employment of thirty additional currency counters with salary at rate not to exceed \$1,040 per annum, to be detailed to the National Bank Redemption Agency, office of the Treasurer. .

Approved.

Letter dated January 22d from the Chairman, Federal Reserve Bank of New York, recommending the employment of Mr. Carl Snyder as Manager of the Department of Statistics and Information of that Bank, at a salary of \$10,000 per annum.

Upon invitation of the Board, Mr. Shepard

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Morgan of the Federal Reserve Bank of New York joined the meeting, and gave information concerning the proposed duties of Mr. Snyder, after which he withdrew.

Voted that the matter be tabled for consideration at a future meeting of the Board.

Other business was presented and disposed of as follows:

Telegram dated January 23d from the Secretary, Federal Reserve Bank of Chicago, requesting approval of the following discount rates, effective January 24th:

Notes maturing one to 90 days, including member bank collateral notes secured by U.S. certificates of indebtedness....	4-3/4%
Notes maturing one to 90 days, including member bank collateral notes secured by Liberty bonds or Victory notes.....	5-1/2%
Commercial paper and trade acceptances, maturities one to 90 days, including member bank collateral notes.....	6%
Agricultural paper, all maturities.....	6%
Notes secured by War Finance Corporation bonds.....	7%

Approved.

Telegram dated January 23d from the Chairman, Federal Reserve Bank of St. Louis, requesting approval of the following discount rates, effective January 24th:

Notes maturing one to 90 days, including

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member bank collateral notes secured  
by U.S. certificates of indebtedness... 4-3/4%

Bankers acceptances discounted for member  
banks..... 5%

Notes maturing one to 90 days, including  
member bank collateral notes, secured  
by Liberty bonds and Victory notes.... 5-1/2%

Commercial paper with maturity one to 90  
days, including member bank collateral  
notes so secured..... 6%

Agricultural paper, all maturities..... 6%

Notes secured by War Finance Corporation  
bonds..... 7%

Minimum open market rate for purchases of  
bankers acceptances, not to be pub-  
lished..... 5-1/4%

Approved.

Telegram dated January 23d from the Federal Reserve  
Bank of Atlanta, requesting approval of the following dis-  
count rates, effective January 26th:

Notes maturing one to 90 days, including  
member bank collateral notes secured  
by U.S. certificates of indebtedness.. 4-3/4%

Bankers acceptances discounted for member  
banks..... 5%

Notes maturing one to 90 days, including  
member bank collateral notes secured  
by Liberty bonds and Victory notes... 5-1/2%

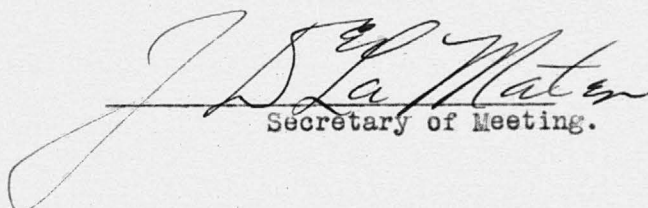
Commercial paper with maturity one to 90  
days, including member bank collateral  
notes so secured..... 6%

Notes secured by War Finance Corporation  
bonds..... 7%

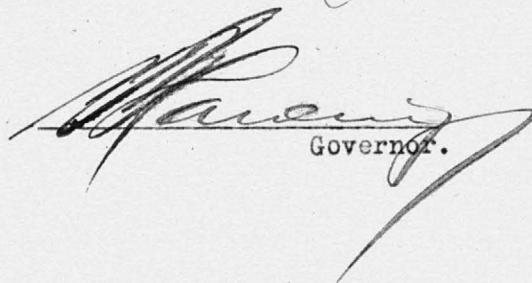
Minimum open market rate for purchase of  
bankers acceptances, not to be pub-  
lished..... 5-1/4%

Approved.

At 1-40 P.M., the meeting adjourned.

  
Secretary of Meeting.

Approved:

  
Governor.