

At a meeting of the Federal Reserve Board held in the office of the Board on Tuesday, April 27, 1920, at 11.20 A.M.,

PRESENT: The Chairman
The Governor
Mr. Miller
Mr. Moehlenpah
Mr. Williams
Mr. Emerson, Assistant Secretary.

Minutes of meeting of the Board held April 26th were read and on motion approved.

Business was presented and disposed of as follows:

Memorandum by Mr. Jacobson, dated April 23rd, recommending that tabulation cards used in abstracting data in connection with discount operations of Federal Reserve Banks covering the years 1918 and 1919 be sold as waste paper, or otherwise disposed of as soon as practicable.

Approved.

The Governor submitted for approval draft of a letter to Mr. E. D. Hulbert, President, Merchants' Loan & Trust Company, Chicago, in regard to the application of Mr. John H. Mitchell to serve as director of the Chase National Bank of New York, the New York Trust Company of New York, and the Illinois Trust and Savings Co. of Chicago.

Approved.

Application of the Garfield National Bank, New York, for authority to accept up to 100% of its capital and surplus under the provisions of Section 13 of the Federal Reserve Act.

Approved.

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REPORTS OF COMMITTEE NO. 1:

Dated April 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 April 27th, recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated April 23d, recommending approval of application of Henry C. Bagley to serve at the same time as a director of the Fulton National Bank, Atlanta, Ga., the Macon National Bank, Macon, Ga., and the Bankers Trust Company of Atlanta, Ga.

Approved.

Dated April 26th, recommending approval of application of J.P. Whately to serve at the same time as a director of the American National Bank of Oklahoma City, the National Bank of Commerce, Hollis, and the Security National Bank of Lawton, all in Oklahoma.

Approved.

Dated April 20th, advising of resignation, effective May 1, 1920, of C. L. Lamping as Director and Manager of the Portland Branch of the Federal Reserve Bank of San Francisco.

Noted.

Other business was presented and disposed of as follows:

The Governor stated that local representatives of the automobile industry had called upon him, advising that the Federal Reserve Bank of Kansas City had ruled automobile paper as undesirable for rediscounting, and in refusing such paper, had stated that the automobile industry is using an enormous amount

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of money and man power, when such are urgently needed for essentials. The Governor stated that the committee was desirous of obtaining a statement from the Board as to the general policy of the Federal Reserve Banks in the discounting of automobile paper, and submitted for the approval of the Board, draft of a statement to the committee outlining the Board's position.

Approved as amended.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business April 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; rate 5% on paper secured by certificates of indebtedness bearing the rate of 5%; 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%; 5-1/2% on paper secured by Liberty bonds and Victory notes, and current rates, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
April 22d	Philadelphia	New York	\$6,000,000	Within 15 days
April 26th	Dallas	San Francisco	1,000,000	"
"	Richmond	New York	10,000,000	11-15 days
"	Kansas City	Boston	6,000,000	11-15 days
"	Minneapolis	New York	5,000,000	11-15 days
"	Philadelphia	New York	4,000,000	11-15 days
	Noted.			

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(At this point the Chairman joined the meeting)

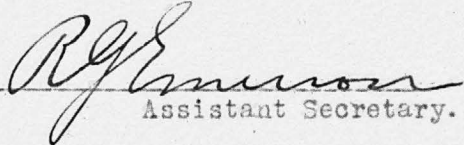
Telegram dated April 26th from the Governor, Federal Reserve Bank of Kansas City, recommending for approval of the Board, modification of the graduated rate plan in effect at that Bank.

Approved.

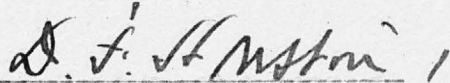
Telegram dated April 24th from the Chairman, Federal Reserve Bank, San Francisco, recommending for approval of the Board the rate of 5-1/4% for member banks' collateral notes and all rediscounts secured by Treasury certificates of indebtedness; also rate of 5-3/4% for member banks' collateral notes and rediscounts secured by Liberty bonds and Victory notes.

On motion duly made and seconded, the Governor was authorized to advise the Chairman of the Federal Reserve Bank of San Francisco that the Board approves rate of 5-1/4% for member banks' collateral notes and rediscounts secured by Treasury certificates of indebtedness, but has taken no action on request for approval of rate of 5-3/4% on member banks' collateral notes and rediscounts secured by Liberty bonds and Victory notes. The Governor was also authorized to advise all Federal Reserve Banks that before approving fractional raises in rates on paper secured by Liberty bonds and Victory notes, the Board desires more specific information as to the advantage of such fractional increases, and if such advances are desirable, the reason that an advance in commercial paper rate is not equally desirable.

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


Assistant Secretary.

Approved:


Chairman.