

At a meeting of the Federal Reserve Board in the office of the Board, called for 11 A.M., on Thursday, May 20, 1920,

PRESENT: The Governor
Mr. Miller
Mr. Emerson, Assistant Secretary.

In the absence of a quorum, the members at 11-30 A.M., withdrew until a quorum of the Board could be convened for the purpose of transacting business.

At 3 P.M., a quorum of the Board was convened in the Board room, with the following members present:

The Chairman
The Governor
Mr. Miller
Mr. Williams
Mr. Emerson, Assistant Secretary.

Business was presented and disposed of as follows:

Letter dated May 8th from Watson, Williams & Company of New Orleans, Louisiana, opposing the passage of the soldier bonus bill.

Referred to the Governor for reply.

Letter dated May 13th from the Chairman, Federal Reserve Bank of New York, recommending the rate of 7% on member bank collateral notes secured by eligible commercial paper and rediscounted commercial paper with maturity of one to ninety days.

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After discussion, Mr. Williams offered the following resolution:

That the recommendation of the Federal Reserve Bank of New York for approval of increase in rate on commercial paper be refused, and in case the other members of the Board concur, that the Board make an announcement to the effect that it is not at present contemplating the approval of further increases in discount rates at Federal Reserve Banks.

On motion duly seconded, it was voted that the recommendation of the Federal Reserve Bank of New York be tabled until the next regular meeting of the Board to be held at 10-30 A.M. on Friday, May 21st.

The Governor reported rediscount transaction, 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 rate of 5% or less; 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%, 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>
May 19th	Minneapolis	Cleveland	\$2,500,000	11-15 days

Noted.

The Governor reported rediscount transaction, 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 rate of 5% or

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less, and 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 19th	Mimeapolis	Cleveland	\$5,000,000	11-15 days

Noted.

The Governor reported rediscount transaction, 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 rate of 5% or less; 5-1/4% on paper secured by certificates of indebtedness bearing rate of 5-1/4%, and 5-1/2% on paper secured by certificates of indebtedness bearing rate 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>
May 19th	Chicago	Cleveland	\$7,000,000	Within 15 days

Noted.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business May 18th, and the status of rediscounts between Federal Reserve Banks as of the same date.

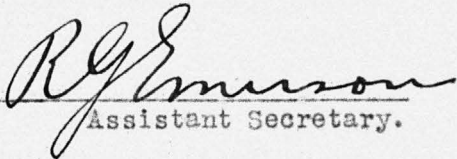
Telegram dated May 20th from the Chairman, Federal Reserve Bank of Philadelphia, recommending for approval discount rate at that Bank of 5-1/2% on paper of all maturities

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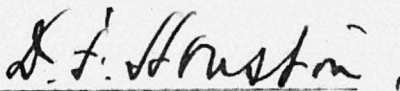
secured by certificates of indebtedness bearing rate of 5-1/2%,
effective May 21, 1920.

Approved.

At 3-45 P.M., the meeting adjourned.


Assistant Secretary.

Approved:


Chairman.