

At a special meeting of the Federal Reserve Board, held in the office of the Board on Saturday, May 29, 1920, at 11-30 A.M.,

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

Business was presented and disposed of as follows:

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business May 27th, and the status of rediscounts between Federal Reserve Banks as of the same date.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rate 5% on all paper secured by certificates of indebtedness bearing rate of 5% or less, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 27th	Atlanta	New York	\$2,500,000	8-15 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, and 5-1/2% on paper secured by Liberty bonds and Victory notes, as follows:

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<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
May 27th	Dallas	New York	\$3,000,000	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%; 5-1/2% on paper secured by certificates of indebtedness bearing rate of 5-1/2%, and 5-1/2% 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 28th	Richmond	Cleveland	\$5,000,000	11-15 days

Noted.

REPORTS OF COMMITTEE NO. 1:

Dated May 29th, 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 May 28th, recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated May 28th, recommending approval of application of

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H. Wendell Endicott to serve at the same time as a director of the Chase National Bank, New York City, and of the International Trust Company, Boston, Mass.

Approved.

Dated May 29th, submitting resignation of Miss Esther Morey as Office Assistant in the office of Secretary of the Board, effective at the close of business June 21, 1920.

Accepted.

Other business was presented and disposed of as follows:

Memorandum dated May 28th from the Assistant Secretary, giving a digest of report made by Mr. E. R. Kenzel of the Federal Reserve Bank of New York, on the subject of whether or not the usages of trade in certain foreign countries warrant the Board in continuing to grant permission to member banks to accept drafts drawn on themselves by banks or bankers located in those countries for the purpose of furnishing dollar exchange; together with application of the Liberty National Bank for permission to accept drafts drawn upon themselves by banks or bankers located in Brazil, action on which has been deferred pending the completion of report by Mr. Kenzel.

On motion duly made and seconded, it was voted that the Liberty National Bank be granted permission to accept drafts drawn upon it by banks or bankers located in those countries which have been, or may be designated by the Board as countries in which the usages of trade require the furnishing of dollar exchange, and that the Board reserves the right to modify or, on 90 days' notice, to revoke its approval either as to any particular member bank or as to any country.

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The Governor submitted for approval of the Board, draft of letter to the Governors of all Federal Reserve Banks on the subject of discount rates.

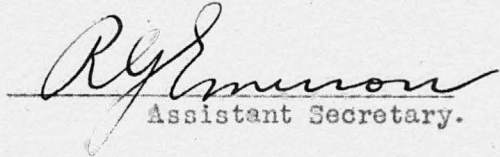
Approved as amended.

Telegram dated May 28th from the Governor, Federal Reserve Bank of Minneapolis, recommending the following discount rates at that Bank:

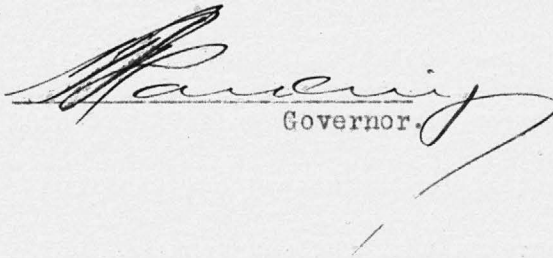
Member bank 15 day collateral notes:	
Secured by Treasury certificates of indebtedness.....	5-1/2%
Secured by Liberty bonds or Victory notes.....	7%
Secured by eligible notes.....	7%
Customers' notes, maturities one to 90 days:	
Secured by Treasury certificates of indebtedness.....	5-1/2%
Secured by Liberty bonds or Victory notes.....	7%
Commercial paper, maturities one to 90 days..	7%
Trade acceptances, maturities one to 90 days.	6-1/2%
Bankers acceptances rediscounted for member banks, maturities one to 90 days.....	6%
Agricultural or live stock paper, maturities one day to six months.....	7%

On motion duly made and seconded, it was voted to approve the rates recommended by the Federal Reserve Bank of Minneapolis, with the exception of the rate of 7% on member bank 15 day collateral notes and customers' notes secured by Liberty bonds and Victory notes, with advice that the Board is unwilling to advance the rate for this class of paper above 6% at this time.

At 12-15 P.M., the meeting adjourned.

  
Assistant Secretary.

Approved:

  
Governor.