

At a meeting of the Federal Reserve Board held in the office of the Board on Wednesday, June 9, 1920, at 11 A.M.,

PRESENT: The Governor
Mr. Miller
Mr. Moehlenpah
Mr. Platt
Mr. Chapman, Secretary.

PRESENT ALSO:
Mr. Walter S. Logan, Assistant Counsel.

Minutes of meeting of the Board held June 8th were read, and on motion approved as amended.

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 June 7th, 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 5-1/2% on paper secured by certificates of indebtedness, 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>
June 8th	Richmond	Cleveland	\$5,000,000	11-15 days
	Noted.			

The Governor submitted for approval, proposed letter by him dated June 8th, to the Chairmen of all Federal Reserve

-2-

Banks, advising of the course to be pursued in closing books of the Federal Reserve Banks as of June 30, 1920.

Approved.

On motion duly seconded, General Counsel was instructed to render to the Board an opinion as to whether or not, in the event of the reduction of the capital stock of a Federal Reserve Bank, it would be necessary for the Bank in case it possessed a general surplus of 100%, to reduce such surplus in an amount equal to the reduction in capital stock.

Letter dated June 4th from the Governor, Federal Reserve Bank of Dallas, enclosing copy of letter received from Mr. R. L. Ball, in re treatment of cattle loans in the Eleventh Federal Reserve District.

Noted.

Letter dated May 31st from the Union Stock Yard & Transit Company of Chicago, reviewing the livestock situation in the United States.

Ordered circulated.

Letter dated June 3d from the Chairman, Federal Reserve Bank of San Francisco, analyzing the discount situation in the Twelfth Federal Reserve District.

Noted.

-3-

REPORTS OF COMMITTEE NO. 1:

Dated June 9th, 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 June 8th, recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated June 8th, recommending approval of application of Benjamin S. Bull to serve at the same time as a director of the Northwestern National Bank, and the Minneapolis Trust Company, both of Minneapolis, Minn.

Approved.

Dated June 8th, recommending approval of application of Charles A. Bigelow to serve at the same time as a director of the Second National Bank, Saginaw, Michigan, and the Peoples Commercial & Savings Bank of Bay City, Michigan.

Approved.

Other business was presented and disposed of as follows:

After informal discussion of the action to be taken by Federal Reserve Banks in connection with increasing discount rates on paper secured by certificates of indebtedness in case the Treasury Department should issue further certificates at higher rates than at present borne, Mr. Miller stated that he was leaving Friday evening for California, and

-4-

asked to be recorded as in favor of no departure from the present policy of maintaining discount rates on paper secured by certificates of indebtedness at the Federal Reserve Banks at least level with the rate of interest borne by the certificates of indebtedness offered as collateral security. Mr. Miller stated further that in his opinion there would be a grave danger if the discount rate was maintained below the rate of interest borne by the certificates of indebtedness, as it would tend to delay the time when such certificates would be distributed to investors.

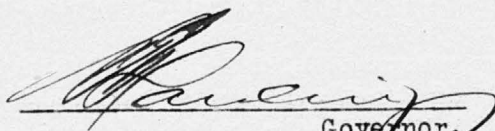
Telegram dated June 9th from the Chairman, Federal Reserve Bank of Dallas, requesting approval of rate on paper secured by United States Treasury certificates of indebtedness, the same as that borne by such certificates with a minimum of 5%, effective June 10, 1920.

Approved.

At 12-20 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.