

At a meeting of the Federal Reserve Board in the office of the Board on Thursday, June 10, 1920, at 11 A.M.,

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

Minutes of meeting of the Board held June 9th were read, and on motion approved.

Business was presented and disposed of as follows:

The Governor related a conversation had by him today with the Chairman of the Board, bearing upon the fact that increases were again contemplated in Federal Reserve Bank discount rates on United States Treasury certificates of indebtedness. He adverted to the criticism directed toward the Federal Reserve System by reason of its large earnings, and suggested that he be authorized to send to all Federal Reserve Banks a letter advising them that it is the intention of the Board on January 1, 1921, to make effective an interest charge on Federal Reserve Notes issued by the several Federal Reserve Banks not covered by gold certificates or gold coin deposited with the Federal Reserve Agent, pursuant to Section 16 of the Federal Reserve Act. Discussion then ensued as to rate of interest charge to be imposed.

On motion duly seconded, the Governor was requested to prepare and submit to the Board for approval, a letter advising Federal Reserve Banks

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that on January 1, 1921, the Board purposes to make effective an interest charge on Federal Reserve notes issued by Federal Reserve Banks not covered by gold certificates or gold coin deposited with the Federal Reserve Agent, and to advise the Federal Reserve Banks that the Board reserves the right to modify either the effective date or the rate of such interest charge.

Telegram dated June 9th from the Governor, Federal Reserve Bank of Dallas, inquiring whether or not that Bank should rebate penalty on deficiency in reserves of one of its members due to failure to receive remittances delayed in the mail. The Governor submitted for approval, draft of telegram by him dated June 10th, approving such rebate of penalty.

Approved.

Letter dated June 7th from the Governor, Federal Reserve Bank of Kansas City, enclosing a newspaper interview by him on the subject of fostering agricultural and live-stock interests.

Ordered circulated.

On motion duly seconded, it was voted that during the period June 15 to September 15, 1920, the Board's offices opening at 9 A.M. will be closed at 1 P.M. on all Saturdays, pursuant to the terms of Executive Order No. 1962 of June 9, 1914.

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The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business June 8th, 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 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 5-3/4% 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	Atlanta	Cleveland	\$2,750,000	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 5-1/2% on paper secured by certificates of indebtedness, and 6% 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>
June 9th	Minneapolis	Cleveland	\$4,000,000	11-15 days

Noted.

REPORTS OF COMMITTEE NO. 1:

Dated June 10th, recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated June 10th, submitting resignation of Mr. Walter Johnson as Clerk in the Board's Gold Settlement Division, effective June 15, 1920.

Accepted.


Dated June 10th, recommending approval of appointment of Mr. Lorne C. Comley as Stenographer and Typewriter in the Board's Gold Settlement Division at a salary of \$1,500 per annum, effective June 16, 1920, vice Mr. Walter Johnson, resigned.

Approved.

At 1 P.M., the meeting adjourned.

  
Secretary.

Approved:

  
Governor.