

At a meeting of the Federal Reserve Board held in the office of the Board on Wednesday, September 8, 1920, at 11 A.M.,

PRESENT: The Chairman
The Governor
Mr. Platt
Mr. Miller
Mr. Williams
Mr. Chapman, Secretary.

PRESENT ALSO:
Mr. Logan, General Counsel.

Minutes of meeting of the Board held September 7th were read, and on motion approved.

Business was presented and disposed of as follows:

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rates same as those borne by certificates, with minimum of 5-1/2%; 6% on paper secured by Liberty bonds and Victory notes, and 7% on commercial paper, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Sept. 7th	Minneapolis	Philadelphia	\$4,000,000..	(11-15 days (1-90 days

Noted.

The Governor reported rediscount transaction, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations: rates

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same as those borne by certificates, with minimum of 5-1/2%, 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>
Sept.7th	Richmond	Boston	\$20,000,000	11-15 days
	Noted.			

The Governor reported rediscount transactions, pursuant to authority heretofore vested in him; member bank promissory notes secured by Government obligations, rate 7%, as follows:

<u>Date</u>	<u>Bank Redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Sept.7th	St. Louis	Cleveland	\$4,000,000	Within 15 days
Sept.7th	Dallas	Cleveland	7,000,000	11-15 days
	Noted.			

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business September 4th, and the status of rediscounts between Federal Reserve Banks as of the same date.

On motion duly seconded, it was voted to make special order business at the meeting of the Board to be held on Thursday, September 9th, at 11 A.M., the question of the approval of the regulations of the Federal Reserve Board, series 1920.

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Letter dated September 7th from the Foreign Credit Corporation of New York, requesting an amendment of its agreement with the Board to provide that the aggregate of its acceptances outstanding plus the total of all deposits held by it, whether foreign or domestic, shall not exceed twelve times the amount of its subscribed capital and surplus, instead of six times as heretofore, except with the approval of the Board.

Approved.

Letter dated September 2d from the Chairman, Federal Reserve Bank of San Francisco, in re violation of conditions of membership by the Scandinavian American Bank of Seattle, Washington.

Referred to the Governor for reply.

Memorandum by General Counsel dated September 7th in regard to methods of Federal Reserve Banks in applying progressive discount rates, together with proposed letter to all Federal Reserve Banks on the subject.

Referred to General Counsel for re-drafting and submission of letter at the next meeting of the Board.

(At this point the Secretary of the Treasury joined the meeting)

The Governor stated that his office was in receipt

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of a telephone request from the Federal Reserve Bank of New York that it be authorized to have earmarked for its account with the Bank of France the sum of \$35,000,000 gold, to be participated in by all other Federal Reserve Banks.

After considerable discussion, the Governor was requested to notify the Federal Reserve Bank of New York that without further detailed information in regard to the proposed transaction, the Board would not be in a position to act, and to request that Bank to submit to the Board a written statement covering the details of such transaction.

Mr. Miller moved that effective Monday, September 13, 1920, the Board fix at 7% the rate for rediscounts by one Federal Reserve Bank for another, regardless of the class of paper rediscounted.

Mr. Williams moved to amend by limiting the rediscount rates on paper secured by U.S. Government certificates of indebtedness, and Liberty bonds and Victory notes to 5-1/2% and 6%, respectively.

The motion to amend was lost, and the original motion prevailed.

Letter dated September 2d from the Chairman, Federal Reserve Bank of Kansas City, requesting approval of the amendment of the by-laws of the Omaha and Denver branches of that Bank to provide that the discount committees of such branches shall consist of the Manager, the Cashier and one Director,

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instead of the Manager and two Directors, as at present.

Approved.

REPORT OF COMMITTEE NO. 1:

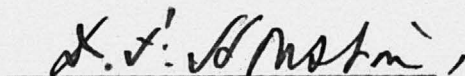
Dated Sept. 8th, recommending admission of State institution, as set forth in the auxiliary minute book as of this date, subject to the conditions stated in the individual reports attached to the application.

Approved.

At 1-10 P.M., the meeting adjourned.


Secretary.

Approved:


Chairman.