

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, December 3d, at 11:10 a.m.

- PRESENT: Mr. Platt
- Mr. Hamlin
- Mr. Miller
- Mr. Wills
- Mr. Williams
- Mr. Hoxton, Secretary.

Minutes of the two meetings held December 2d were read, and on motion, approved.

The Vice-Governor reported the reserve positions of the several Federal Reserve Banks as at close of business December 1st, and the status of rediscounts between the Federal Reserve Banks as of the same date.

(At this point Mr. Logan entered the meeting.)

REPORTS OF COMMITTEE NO. 1:

Dated Nov. 30th, 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 the applications.
Approved.

Dated Nov. 30th, Recommending approval of applications for fiduciary powers as set forth in the auxiliary minute book as of this date.
Approved.

Dated Nov. 29th, Recommending approval of the appointment of Mr. Russell P. Clayton as National Bank Examiner in the Second Federal Reserve District, at a salary of \$2400. per annum.
Approved.

Special order business was disposed of as follows:

1. Letter dated November 24th, from the Federal Reserve Bank of Chicago, relative to advance of funds to the Treasury Department against Treasury certificates, bearing interest at the rate of 2%.

The Vice-Chairman submitted a draft of letter written by Governor Harding to the Secretary of the Treasury regarding the policy of the Treasury Department in issuing certificates of indebtedness bearing interest at the rate of 2% to the Federal Reserve Banks in order to prevent overdrafts; also draft of letter in regard to this matter to be sent to all Bank Governors and Federal Reserve Agents. After discussion and the suggestion of several amendments, the matter was referred to the Executive Committee with power.

2. Report of the Clayton Act Committee relative to the Board's policy in regard to the administration of the Clayton Act.

Action was postponed until a full meeting of the Board can be secured.

3. Letter dated December 1st, from the Chairman of the Federal Reserve Bank of New York, enclosing memorandum from Mr. E. R. Kenzel regarding drafts drawn to furnish dollar exchange originating in Australia and New Zealand.

Matter postponed and ordered docketed for the next meeting.

Letter dated December 1st, from the Chairman of the Federal Reserve Bank of St. Louis, setting forth a recommendation made to that Bank by its Memphis branch to the effect that the Memphis branch

on or after July 1, 1921, will not receive as collateral cotton warehouse receipts which are not accompanied by satisfactory information as to the grade of the cotton.

It was suggested that similar action should be taken by other Federal Reserve Banks and branches in cotton communities, and the matter was referred to the Executive Committee with power.

Letter dated December 2d, from the Chairman of the Federal Reserve Bank of Richmond, requesting the Board's authority to proceed at once to raze the Virginia Hotel building, and excavate the foundation for the new annex to the Federal Reserve Bank of Richmond, in accordance with a suggestion made by the Consulting Architect.

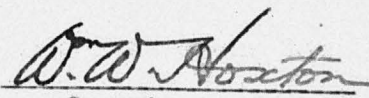
Approved.

Mr. Williams stated that he had recently held interviews with Mr. A. A. Ryan of New York, and with Messrs. Thayer and Wiggin, of the Chase National Bank of New York, and recounted, for the confidential information of the Board, the substance of these interviews, but no Board action on the subject was suggested. Mr. Williams also stated that he had been advised by certain of the National Bank Examiners that the Guaranty Trust Company of New York is receiving drafts drawn by the National Bank of Cuba, but left blank as to the identity of the drawee; that the said Guaranty Trust Company is distributing these drafts for acceptance to other banks in different

sections, filling in the name of the drawee only after the correspondent banks have agreed to accept.

Mr. Williams said he desired to go on record as stating to the Board that, in his judgment, it is important that the Federal Reserve Board, either directly or through the Federal Reserve Bank of New York, should make an independent examination of the Guaranty Trust Company of New York, as promptly as practicable.

At 1:10 p.m. the meeting adjourned.


Secretary.

Approved:


Governor.