

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, December 14th at 11:20 a.m.

PRESENT: The Governor
 Mr. Platt
 Mr. Hamlin
 Mr. Miller
 Mr. Wills
 Mr. Hoxton, Secretary.

PRESENT ALSO:
 Mr. Logan.

Minutes of the meeting of the Board held December 10th were read, and on motion approved.

Minutes of the special meeting of the Board held December 10th were read, and on motion approved.

Minutes of the meeting of the Executive Committee held December 11th were read, and on motion approved.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business December 11th, and the status of rediscounts between the Federal Reserve Banks as of the same date.

The Governor reported rediscount transactions, member bank promissory notes secured by Government obligations, rate 7% 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>
Dec. 11	Kansas City	Philadelphia	\$3,503,662.50	11-16 days
			1,509,500.	41-46 "
Dec. 11	Atlanta	Cleveland	1,312,000.	Within 90 dys.
Dec. 13	Richmond	Boston	10,000,000.	11-15 days
Dec. 13	Dallas	Cleveland	3,000,000.	11-15 "
Dec. 13	Minneapolis	Cleveland	4,000,000.	11-15 "
Dec. 13	Atlanta	Cleveland	7,000,000.	Within 90 dys.

Letter dated December 6th from the Chairman of the Federal Reserve Bank of Boston, requesting authority to pay a bonus to employes in accordance with the recommendation of the Committee on Salaries of the Federal Reserve Bank of Boston; also making recommendations as to certain salary adjustments.

Upon motion, the Federal Reserve Bank of Boston was authorized to pay the bonus in accordance with the terms of its recommendation, and the matter of adjusting salaries was referred to the Executive Committee.

Special order business: Policy of the Federal Reserve Board regarding the administration of the Clayton Act.

It was the sense of the Board that pending a general review of the existing permits issued to interlocking directors, such permits should be revoked when issued to executive officers of Banks authorizing their service as directors in other Banks, if such action should prove, after further investigation, to be not against the public interest under existing conditions.

Special order business: Letter dated December 4th, from the Federal Reserve Bank of Cleveland, enclosing resolutions adopted by the Board of Directors of that Bank regarding the rediscounts for the Federal Reserve Bank of Atlanta.

Governor Harding submitted a letter dated December 9th, from the Governor of the Federal Reserve Bank of Atlanta, and a letter of the same date from the Chairman of the Board, stating the position taken by the Atlanta Bank in regard to the resolution of the Federal Reserve Bank of Cleveland. This correspondence was referred to Mr. Wills, who was requested to draft a reply.

Mr. Miller moved that the Board take up with the Federal Reserve Bank of New York, either by letter or personally, the matter of the discounting by that Bank of the paper of commission merchants.

Carried. Mr. Hamlin was requested to communicate upon the subject with the Federal Reserve Bank of New York.

Special order business: Disposition of the question of vault construction at the Federal Reserve Bank of Boston.

Referred to Governor Harding, with request that he prepare a letter along lines developed by the discussion, and report back to the Board.

Proposed telegram dated December 14th, to all Federal Reserve Banks, giving instructions in the matter of furnishing the Board with certain information not later than 10 o'clock Friday morning, on December 24th and December 31st.

Approved.

Governor Harding submitted a draft of a letter to the Chairman of the Senate Committee on Banking & Currency, expressing the Board's disapproval of a proposed bill to amend the Federal Reserve Act by extending the limit upon agricultural paper from six months to twelve months.

Approved.

Letter dated December 6th, from the Director of the Division of Analysis & Research, with respect to the present

method of editing the Monthly Reports.

Referred to the Governor with power.

Memorandum dated December 11th, from the General Counsel, recommending a method of handling applications of National Banks for permission to purchase stock in corporations organized under the Edge Law.

Approved.

In accordance with memorandum of Counsel, set forth above, certain National Banks, as set forth in the auxiliary minute book as of this date, were upon motion authorized to purchase stock in Edge Corporations.

At 1 p.m. the meeting, upon motion, took a recess until 2:30 p.m.

At 2:45 the Board reconvened, with Mr. Williams present, in addition to those present at the morning session.

Upon motion, the election of Class "C" Directors and Branch Bank Directors whose terms of office expire December 31, 1920, and the appointment of Federal Reserve Agents in the various districts, was ordered docketed as special order business for next Tuesday, December 21st.

Regarding the action of the Board taken at its meeting on December 3d, with reference to the issuance to the Federal Reserve Banks by the Treasury Department of 2% Treasury certificates in order to prevent overdrafts, Governor Harding stated that he had been advised by Assistant Secretary Gilbert that the Secretary of the Treasury agrees with the Board that such certificates should bear a rate of 4%.

And further, while the Treasury Department desires immediate credit for all items upon the books of the Federal Reserve Banks, the balances created by uncollected funds will not be withdrawn, except after consultation with the Federal Reserve Board.

Governor Harding submitted to the Board a letter of December 9th from the Secretary of the Treasury, detailing the progress which has been made by the Treasury Department toward increasing the supply of Federal Reserve notes, and Federal Reserve Bank notes.

Noted.

Governor Harding submitted a draft of letter, in reply to a communication dated December 11th, from the Chairman of the Senate Committee on Banking and Currency, requesting the Board's views on Senate Bills #4562 and 4563.

Approved.

Telegram dated December 7th, from the Chairman of the Federal Reserve Bank of Atlanta, requesting authority to pay a bonus and make certain salary adjustments.

Approved as to bonus. Matter of salary adjustments referred to Executive Committee.

Letter dated December 8th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting authority to charge off as of December 31, 1920 the assessment made

against that Bank for additional equipment to be used in the printing of Federal Reserve notes and Federal Reserve Bank notes.

Approved.

Letter dated December 11th, from the Federal Reserve Bank of St. Louis, requesting the Board to secure from the Secretary of the Treasury authority to undertake sub-treasury functions at the Louisville, Memphis and Little Rock Branches.

Referred to the Governor.

Letter dated December 7th, from the Secretary of the Federal Reserve Bank of Chicago, requesting permission to charge off as of December 31, 1920, the assessment made against that Bank for the purchase of additional equipment for printing Federal Reserve notes and Federal Reserve Bank notes.

Approved.

Letter dated December 9th, from the Chairman of the Federal Reserve Bank of Dallas, requesting authority to employ

additional Bank Examiners at salaries stated.

Approved.

Letter dated December 10th, from the Chairman of the Federal Reserve Bank of Dallas, requesting to charge off as of December 31, 1920, the assessment made against that Bank for the purchase of additional equipment to be used in the printing of Federal Reserve notes and Federal Reserve Bank notes.

Approved.

Letter dated December 10th, from the Chairman of the Federal Reserve Bank of Dallas, regarding the advisability of abrogating at the present time the practice of purchasing mail transfers.

Governor Harding stated that he had prepared a reply to this letter, and gave the gist of his reply, which, upon motion, was approved.

Letter dated December 10th, from the Chairman of the Federal Reserve Bank of Dallas, regarding the employment of additional counsel, with salary adjustments as stated.

Approved.

Letter dated December 10th, from the Chairman of the Federal Reserve Bank of Dallas, regarding the appointment of Directors at the El Paso and Houston Branches.

Referred to the Executive Committee, to be reported to the Board as special order business next Tuesday, December 21st.

Letter dated December 10th, from the Chairman of the Federal Reserve Bank of Dallas, announcing the transfer of Mr. Ikard from the Federal Reserve Bank of Dallas to the Houston Branch, as Cashier of that Branch, with salary as stated.

Approved.

Letter dated December 8th, from the Chairman of the Federal Reserve Bank of Kansas City, requesting authority to charge off as of December 31, 1920, the assessment made against that Bank for the purpose of additional equipment to be used in the printing of Federal Reserve notes and Federal Reserve Bank notes.

Approved.

Letter dated December 9th, from the Chairman of the Federal Reserve Bank of Kansas City, transmitting resolutions of the Board of Directors of that Bank, recommending the withdrawal of the Bank of Goltry, Oklahoma from the Federal Reserve System.

Referred to the Governor for reply after conference with Counsel.

Letter dated December 9th, from the Chairman of the Federal Reserve Bank of Minneapolis, regarding a proposed new vault for storing silver and minor coin, made necessary by the assumption by that Bank of sub-treasury functions.

Referred to the Governor with power.

Draft of letter dated December 13th, from Governor Harding to the Chairman of the Judiciary Committee of the House of Representatives, with respect to House Bill #14488, providing that robbery of a Federal Reserve Bank or a Member Bank, shall constitute a felony under the Federal law.

Approved.

Letter dated December 9th, from the Assistant Federal Reserve Agent of the Federal Reserve Bank of Cleveland, requesting approval of the appointment of Mr. F. W. L. Hageman as Examiner, at a salary of \$4,000. per annum.

Approved.

Letter dated December 9th, from the Director of the Division of Analysis & Research, recommending the appointment of Miss Maud B. Foote for certain statistical work in Italy, at a salary of \$900. per annum.

Approved.

Letter dated December 8th, from the Chairman of the Federal Reserve Bank of San Francisco, reporting changes in personnel at that Bank, and certain adjustments of salaries made necessary thereby.

Approved.

Letter dated December 8th, from the Governor of the Federal Reserve Bank of Dallas, transmitting copy of tenta-

tive draft of circular letter prepared for submission to the Directors of that Bank.

Referred to the Executive Committee.

REPORTS OF COMMITTEE. NO. 1:

Dated December 11th, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated December 13th, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated December 13th, Recommending approval of the appointment of Mr. Frank J. Callahan as Clerk-Typist in the Division of Reports and Statistics, at an annual salary of \$1320.

Approved.

Dated December 9th, Recommending approval of application of Mr. Henry M. Robinson to serve at the same time as director of the First National Bank of Los Angeles, Cal., and as director of the Union National Bank of Pasadena, Cal.

Approved.

Dated December 9th, Recommending approval of application of Mr. Wilmot R. Evans, Jr. to serve at the same time as director of the American Trust Company of Boston, Mass., and as director and vice-president of the Everett National Bank of Everett, Mass.

Approved.

- Dated Dec. 10th, Recommending approval of application of Mr. E. B. Kluckhohn to serve at the same time as Assistant Cashier of the First National Bank of Seattle, Washington, and as Director of the Rainier Valley National Bank of Seattle, Washington.
Approved.
- Dated Dec. 10th, Recommending approval of application of Mr. Edwin G. Merrill to serve at the same time as Director of the Hanover National Bank of New York City, as director of the Merrill Trust Company of Bangor, Maine, and as president and trustee of the New York Life Insurance and Trust Company of New York City. - Approved.
- Dated Dec. 10th, Recommending approval of application of Mr. F. L. Lipman to serve at the same time as director of the Union Trust Company of San Francisco, Calif., and as director and officer of the Wells-Fargo Nevada National Bank of San Francisco, California.
Disapproved.
- Dated Dec. 11th, Recommending approval of application of Mr. John D. Spreckels to serve at the same time as director of the Anglo & London Paris National Bank of San Francisco, as director of the First National Bank of San Diego, Cal., and as director of the Union Trust Company of San Francisco.
Approved as to Anglo & London Paris Natl. Bank of San Francisco, and First Natl. Bank of San Diego; or as to First Natl. Bank of San Diego and Union Trust Co. of San Francisco.
Disapproved as to Anglo & London Paris Natl. Bank of San Francisco and Union Trust Co. of San Francisco.
- Dated Dec. 13th, Recommending approval of application of Mr. Eli Whitney to serve at the same time as director of the Union & New Haven Trust Co. of New Haven, and as director of the New Haven Bank, N.B.A., of New Haven, Conn.
Disapproved.

- Dated Dec. 13th, Recommending approval of application of Mr. James S. Hemingway to serve at the same time as director of the Union & New Haven Trust Co. of New Haven, Conn., and as director of the Second National Bank of New Haven, Conn.
Disapproved.
- Dated Dec. 13th, Recommending approval of application of Mr. Henry L. Hotchkiss to serve at the same time as director of the Union and New Haven Trust Co. of New Haven, and as director of the New Haven Bank, N.B.A.
Disapproved.
- Dated Dec. 13th, Recommending approval of application of Mr. Thomas Hooker to serve at the same time as director and vice president of the Union & New Haven Trust Co. of New Haven, Conn., and as director of the First National Bank of New Haven, Conn.
Disapproved.
- Dated Dec. 13th, Recommending approval of application of Mr. Henry F. English to serve at the same time as director of the Union & New Haven Trust Co. of New Haven, Conn., and as director of the First National Bank of New Haven, Conn.
Disapproved.
- Dated Dec. 13th, Recommending approval of application of Mr. E. G. Stoddard to serve at the same time as director of the Union & New Haven Trust Co. of New Haven, and as director of the New Haven Bank, N.B.A. of New Haven.
Disapproved.
- Dated Dec. 13th, Recommending approval of application of Mr. J. R. Knowland to serve at the same time as president and director of the Alameda National Bank of Alameda, Calif., and as director of the First National Bank, of Oakland, Calif.
Approved.
- Dated Dec. 13th, Recommending approval of application of Mr. John W. Bristol to serve at the same time as director of the Union & New Haven Trust Co. of New Haven, and as director of the New Haven Bank, N.B.A.
Disapproved.

At 4:15 p.m. the meeting adjourned.

W. W. Hoexter
Secretary.

Approved:

[Signature]
Governor.