

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, December 21st, at 11:35 a.m.

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

Minutes of the meeting of the Board held December 16th were read, and on motion approved.

Minutes of the special meeting of the Board held December 18th were read, and on motion approved.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business December 15th and 18th, and the status of rediscounts between the Federal Reserve Banks as of the same dates.

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. 16 | Atlanta | Cleveland | \$500,000. | Within 90 dys. |
| Dec. 17 | Atlanta | Cleveland | 1,200,000. | " 15 " |
| Dec. 17 | Kansas City | Cleveland | 2,013,527. | 12-14 days |
| Dec. 20 | Atlanta | Cleveland | 4,505,500. | Within 15 dys. |
| Dec. 20 | Minneapolis | Philadelphia | 2,500,000. | 11-15 days |
| Dec. 20 | Kansas City | Boston | 5,000,000. | 10-14 " |

Letter dated December 21st, from Assistant Secretary of the Treasury Gilbert, advising of the Treasury Department's approval of a request from Governor Fancher, dated December 16th, that the Federal Reserve Bank of Cleveland and its branches be authorized to undertake sub-treasury functions.

Approved.

Letter dated December 21st, from Assistant Secretary of the Treasury Gilbert, advising of the Treasury Department's approval of request from the Chairman of the Federal Reserve Bank of St. Louis, dated December 11th, that the branches of that Bank at Louisville, Memphis and Little Rock, be authorized to exercise sub-treasury functions.

Approved.

Letter dated December 19th, from the Chairman of the Federal Reserve Bank of New York, recommending an increase in the salary of the Acting Governor of that Bank.

Referred to the Executive Committee.

Memorandum dated December 16th, from the General Counsel, submitting draft of bill designed to amend Section 24, Sub-Section (a), and Section 19 of the Federal Reserve Act; and Section 5236 of the Revised Statutes.

Ordered circulated.

(At this point Mr. Williams joined the meeting.)

Letter dated December 20th, from the Director of the Department of Analysis & Research, with reference to the salary adjustments in that Department.

Referred to Mr. Miller.

Draft of letter dated December 21st, from Governor Harding to Senator Gronna, furnishing certain information and figures pertaining to the Federal Reserve System.

Approved with slight amendment.

Telegram dated December 21st, from the Chairman of the Federal Reserve Bank of San Francisco, requesting authority for payment of bonus for the six months period ending December 31, 1920, upon the basis previously approved.

Approved.

Letter dated December 18th, from the Chairman of the Federal Reserve Bank of St. Louis, recommending reduced reserve requirements for nine banks in St. Louis. Submitted with recommendation by the Executive Committee of the Board for approval in eight cases, and disapproval of one.

Action of the Executive Committee concurred in, and the following banks authorized to reduce their reserve requirements from 13% on demand deposits to 10%: Farmers & Merchants Trust Co.; Grand Avenue Bank; Jefferson-Gravois Bank; Manchester Bank; Mound City Trust Company; Southside Trust Company; Tower Grove Bank; and the West St. Louis Trust Company. The application of the LaFayette South Side Bank was disapproved.

Letter dated December 16th, from the Chairman of the Federal Reserve Bank of Minneapolis, requesting that the St. Anthony Falls Bank of Minneapolis be authorized to carry reduced reserve upon demand deposits from 10% to 7%. Submitted with favorable recommendation of the Executive Committee.

Approved.

Letter dated December 9th, from the Chairman of the Federal Reserve Bank of Richmond, requesting authority to pay a bonus upon terms previously authorized. Submitted with favorable recommendation by the Executive Committee.

Approved.

Letter dated December 16th, from the Chairman of the Federal Reserve Bank of Minneapolis, transmitting suggestion that that Bank contribute to the entertainment fund for the annual convention of the American Institute of Banking. Submitted with adverse report from the Executive Committee.

Upon motion, the Board concurred with the recommendation of the Executive Committee.

Letter dated December 16th, from the Federal Reserve Bank of New York, reporting certain additions and reductions in personnel during the month of November, with adjustments of salaries to conform to changes.

Approved.

Letter dated December 16th, from the Chairman of the Federal Reserve Bank of Richmond, regarding certain charge offs in connection with the closing of the books of that Bank on December 31, 1920.

Referred to Governor Harding for reply.

(At this point Mr. Williams withdrew from the meeting.)

Letter dated December 17th, from the Secretary of the Federal Reserve Bank of New York, submitting amendment to Section 1 of Article II of the By-Laws of the Buffalo Branch, providing for two additional directors.

Approved, Mr. Miller voting "no".

Letter dated December 17th, from the Chairman of the Federal Reserve Bank of Philadelphia, requesting approval of the transfer of Mr. C. L. Litzenberg from the Currency Department of the Bank to the Federal Reserve Agents Department, at the same salary.

Approved.

Letter dated December 15th, from the Secretary of the Federal Reserve Bank of Cleveland, advising of the reappointment of present Branch Bank Directors, and requesting approval of the Federal Reserve Board.

Approved.

Letter dated December 15th, from the Governor of the Federal Reserve Bank of Cleveland, submitting recommendations as to salary adjustments.

Referred to the Executive Committee.

Letter dated December 15th, from the Chairman of the Federal Reserve Bank of Atlanta, transmitting copy of resolution adopted by that Bank December 10th, regarding the future election of members of the Advisory Council.

Noted.

Four letters dated December 15th, from the Chairman of the Federal Reserve Bank of Atlanta, announcing the election of officers of the parent Bank and Branches for the year 1921, and making recommendations as to salary adjustments; also announcing the election of Mr. J. L. Campbell to the position of Deputy Governor, the election of Mr. J. B. Tutwiler as additional Assistant Cashier; and transmitting the bonus resolution adopted by the Board of Directors of the Atlanta Bank on December 10th.

Referred to the Executive Committee.

Letter dated December 15th, from the Chairman of the Federal Reserve Bank of Atlanta, requesting authority to mail dividend checks to member banks prior to December 31, 1920, provided the Board, after receipt of necessary data, approves the declaration of a dividend.

Approved.

Letter dated December 15th, from the Chairman of the Federal Reserve Bank of Atlanta, submitting lists of directors for the year 1921 in the branch banks of that District.

Approved.

Letter dated December 15th, from the Chairman of the Federal Reserve Bank of Atlanta, advising that Mr. Edward W. Lane, of Jacksonville, Florida, has been elected by the Board of Directors of the Federal Reserve Bank of Atlanta as a member of the Advisory Council for the term of one year, ending December 31, 1921.

Letter dated December 15th, from the Chairman of the Federal Reserve Bank of Atlanta, advising of the re-election of Mr. Hollins N. Randolph, as General Counsel for that Bank, at a salary of \$2500. per annum.

Approved.

(At this point Mr. Williams re-entered the meeting.)

Special order business: Election of Class "C" Directors and Federal Reserve Agents whose terms of office expire December 31, 1920, and also appointment of branch directors.

The following nominations recommended by the Executive Committee, were upon motion, confirmed:

Mr. F. H. Curtiss, Boston, elected Class "C" Director for three years, and designated as Federal Reserve Agent and Chairman of the Board for one year from December 31, 1920.

Mr. W. L. Saunders, New York, elected as Class "C" Director for three years from December 31, 1920.

Mr. R. L. Austin, Philadelphia, elected as Class "C" Director for three years, and designated as Federal Reserve Agent and Chairman of the Board for one year from December 31, 1920.

Mr. L. B. Williams, Cleveland, designated Acting Federal Reserve Agent.

Mr. Caldwell Hardy, Richmond, elected Class "C" Director for three years, and designated Federal Reserve Agent and Chairman of the Board for one year, beginning December 31, 1920.

Mr. J. A. McCord, Atlanta, elected as Class "C" Director for three years, and designated Federal Reserve Agent and Chairman of the Board for one year, beginning December 31, 1920.

Mr. James Simpson, Chicago, elected as Class "C" Director for three years, and designated Deputy Chairman of the Board for one year, beginning December 31, 1920.

Mr. J. W. Boehne, St. Louis, elected as Class "C" Director for three years, and designated Deputy Chairman of the Board for one year, beginning December 31, 1920.

Mr. John H. Rich, Minneapolis, elected as Class "C" Director for three years, and designated Federal Reserve Agent and Chairman of the Board for one year, beginning December 31, 1920.

Mr. A. E. Ramsay, Kansas City, elected as Class "C" Director for three years, and designated Federal Reserve Agent and Chairman of the Board of Directors for one year, beginning December 31, 1920.

Mr. William F. Ramsey, Dallas, elected as Class "C" Director for three years, and designated Federal Reserve Agent and Chairman of the Board for one year, beginning December 31, 1920.

Mr. John Perrin, San Francisco, elected as Class "C" Director for three years, and designated Federal Reserve Agent and Chairman of the Board for one year, beginning December 31, 1920.

The following recommendations submitted by the Executive Committee for appointments as Directors of Branch Banks for a term of one year, beginning December 31, 1920, were upon motion, approved:

Buffalo Branch: Clifford Hubbell, F. L. Bartlett and E. J. Barcalo.

Cincinnati Branch: Judson Harmon and C. A. Hensch.

Pittsburgh Branch: J. D. Callory and Harrison Nesbit.

Baltimore Branch: William Ingle and Waldo Newcomer.

New Orleans Branch: P. H. Saunders, A. P. Bush and F. W. Foote.

Birmingham Branch: W. H. Kettig and Oscar Wells.

Jacksonville Branch: J. C. Cooper and Fulton Saussy.

Nashville Branch: W. H. Hartford and Paul N. Davis.

Detroit Branch: John Ballantyne and C. H. Hodges.

Louisville Branch: F. M. Sackett and E. L. Swearingen.

Memphis Branch: T. K. Riddick and S. E. Ragland.

Little Rock Branch: Moorhead Wright and G. W. Rogers.

Denver Branch: John Evans and Alva B. Adams.

Omaha Branch: P. L. Hall and R. O. Marnell.

Oklahoma City Branch: William Mee and E. K. Thurmond.

Helena Branch: Thomas Marlow and L. M. Ford.

El Paso Branch: W. W. Turney and A. P. Coles.

Houston Branch: R. M. Farrar and J. J. Davis.

Portland Branch: Nathan Strauss, with one vacancy caused by the resignation of J. N. Teal.

Seattle Branch: C. H. Clarke and C. E. Peabody.

Spokane Branch: Peter McGregor and G. I. Toevs.

Salt Lake Branch: G. G. Wright and La Fayette Hanchett.

Los Angeles Branch: H. M. Robinson and I. B. Newton.

Mr. Miller stated that a vacancy existed among the Class "C" Directors of the Federal Reserve Bank of San Francisco caused by the resignation of Mr. Edward Elliott, and submitted a letter from the Chairman of the Federal Reserve Bank of San Francisco recommending the appointment of Mr. William Sproule. Nomination of Mr. Sproule was referred to the Executive Committee for report.

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(At this point Mr. Miller withdrew from the meeting.)

Letter dated December 18th, from the Secretary of the Federal Reserve Bank of Chicago, announcing the election by that Bank of three directors for the Detroit Branch, and the election of Mr. John J. Mitchell as the member for the Seventh District of the Federal Reserve Advisory Council for 1921.

Noted.

Letter dated December 17th, from the Federal Reserve Bank of Chicago, requesting authority to declare the usual dividend.

Approved.

Draft of letter dated December 16th, from Governor Harding to the Federal Reserve Agent at Kansas City regarding the recommendation made by the Federal Reserve Bank of Kansas City that the Bank of Goltry, Oklahoma be required to sever its connection with the Federal Reserve System.

Approved.

Two letters dated December 20th, from the Railway Loan Advisory Committee, requesting approval of forms of loans to be made to the Chicago Great Western Railroad Company and the Rutland Railroad Company, in the amounts of \$1,929,373. and \$61,000. respectively, under Section 210 of the Transportation Act, 1920, as amended.

Approved.

Letter December 16th, from the Chairman of the Federal Reserve Bank of St. Louis, stating that the Liberty Bank of St. Louis, a member bank, will convert into a trust company and take over the assets of the Central National Bank of that city. Inasmuch as the Liberty Bank does not now have trust powers, the conversion would result in the broadening of its functions, requiring the approval of the Federal Reserve Board.

Approved.

Letter dated December 13th, from the Chairman of the Federal Reserve Bank of Boston, recommending approval of the application of the Merrill Trust Company, Bangor, Maine, for permission to establish branches at Bucksport, Maine and Machias, Maine.

Approved.

Mr. Wills reported the recommendation of the Clayton Act Committee to the effect that the Board fix April 1, 1921 as the date upon which to review existing permits to interlocking directors under the Clayton Act; that the rulings made at that time be effective July 1, 1921 in all cases where conditions involving substantial competition have developed since the issuance of the original permits; that Federal Reserve Agents be advised as above, and requested to take up personally those cases in their respective districts where the executive

officers of banks have been granted permits to serve as directors in other banks, with a view to the voluntary correction of the dual capacity in such cases at the earliest possible moment.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated Dec. 15th, Recommending approval of applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated Oct. 13th, Recommending approval of application of Mr. J. Ross Clark to serve as director of the Citizens' National Bank of Los Angeles, California, and as director of the Citizens Trust & Savings Bank of Los Angeles, California.

Approved.

Dated Dec. 20th, Recommending approval of application of Mr. Henry Parsons to serve at the same time as Director of the Sheffield National Bank of Sheffield, Alabama, and as director of the National Loan & Exchange Bank of Columbia, S.C.

Approved.

Dated Dec. 16th, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated Dec. 14th, Recommending approval of a salary of \$2400. to be paid to Mr. William W. Hackney, National Bank Examiner in the Tenth Federal Reserve District.

Approved.

Dated Dec. 15th, Recommending approval of a salary of \$2400. to be paid to Mr. Edward M. Joseph, National Bank Examiner in the Seventh Federal Reserve District.

Approved.

Dated Dec. 17th, Recommending approval of a salary of \$3600. per annum to be paid to Mr. William E. Fair, National Bank Examiner in the Twelfth Federal Reserve District.

Approved.

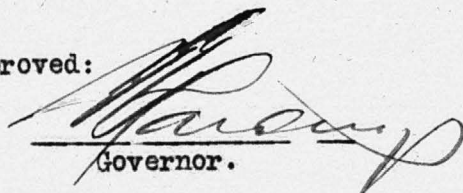
Dated Dec. 21st, Recommending approval of the appointment

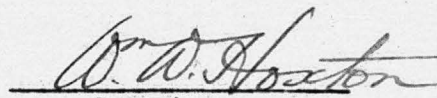
of Mrs. F. R. Robillard as Clerk in the Division
of Reports & Statistics, at a monthly salary of
\$90.00.

Approved.

At 1:50 p.m. the meeting adjourned.

Approved:


Governor.


Secretary.