

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, January 4, 1921, at 11:10 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 30th were read, and on motion, approved.

Minutes of the meeting of the Board held January 3d were read, and on motion, approved.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business December 30th, and December 31st, 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. 30	Richmond	Boston	\$10,000,000.	11-15 days
Dec. 30	Atlanta	Boston	3,000,000.	- - - -
Dec. 30	Dallas	Cleveland	4,000,000.	- - - -
Dec. 30	Kansas City	Cleveland	4,001,550.	12-14 "
Dec. 31	Atlanta	Boston	1,500,000.	- - - -
Dec. 31	Dallas	Cleveland	5,000,000.	- - - -
Dec. 31	Minneapolis	Cleveland	2,500,000.	11-15 "
Jan. 3	Kansas City	Cleveland	4,000,699.50	10-12 days
Jan. 3	Minneapolis	Cleveland	3,000,000.	11-15 "

Letter dated December 27th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the employment of an additional examiner at \$3600. per annum.

Approved.

The Governor submitted suggested topics for the meeting of the Advisory Council to be held the first Monday in February.

Approved.

Telegram dated December 30th, from the Governor of the Federal Reserve Bank of Kansas City, requesting authority to revise the progressive penalty for deficient reserve of member banks in the Tenth Federal Reserve District.

Approved.

Letter dated December 30th, from the Deputy Governor of the Federal Reserve Bank of New York, suggesting certain amendments to the Board's regulations regarding bankers' acceptances.

Referred to General Counsel, with instruction to draft an amended regulation to be submitted to the Board at its meeting tomorrow.

Letter dated December 29th, from the Chairman of the Federal Reserve Bank of Philadelphia, announcing the results of an election for officers of that Bank to serve for the ensuing year.

Noted.

Letter dated December 31st, from the Chairman of the Federal Reserve Bank of Dallas, requesting approval of the increase

in salary from \$2700. to \$3300. per annum, effective January 1, 1921, for Mr. R. L. King, Assistant Federal Reserve Agent and Auditor of the Houston Branch.

Approved.

Letter dated December 31st, from the Chairman of the Federal Reserve Bank of Dallas, requesting an increase in salary from \$2400. to \$2700. per annum, effective January 1st, for Mr. Clarke, Assistant Federal Reserve Agent at El Paso.

Approved.

Letter dated December 31st, from the Chairman of the Federal Reserve Bank of Dallas, requesting approval for the employment in the Federal Reserve Agent's Department at El Paso, of two clerks at \$115.00 and \$100.00 per month, respectively.

Approved.

Letter dated December 31st, from the Chairman of the Federal Reserve Bank of Atlanta, requesting the approval of the appointment of Mr. W. S. Johns as Assistant Federal Reserve Agent at New Orleans, at an annual salary of \$4,000.

Approved.

Letter dated January 3d, from the Chairman of the Federal Reserve Bank of New York, requesting authority for the temporary appointment of Mr. J. L. Morris at a salary of \$750. per month, to devote his entire time to keeping in touch with the credit situation, analysing statements and supervising the collation of

credit information and the work of the Credit Division.

The temporary appointment of Mr. Morris at a salary of \$750. per month was approved.

Governor Harding submitted letters from the Chairman of the Federal Reserve Banks of Boston and New York, expressing the opinion that the Board should declare that the usages of trade in Australia and New Zealand justifies a ruling of the Board to the effect that drafts drawn by banks and bankers in those countries for the purpose of furnishing dollar exchange, shall be eligible for acceptance by National Banks.

Approved.

Letter dated December 30th, from the Deputy Governor of the Federal Reserve Bank of New York, suggesting an amendment to the Board's regulations upon open market purchases of bankers' acceptances, to the effect that Federal Reserve Banks should be authorized to purchase such acceptances covering export and import transactions having a maturity of not more than six months.

Referred to Counsel, and ordered re-docketed as unfinished business tomorrow.

Letter dated December 30th, from the Assistant Secretary of the Treasury, advising that the Treasury Department considers it desirable at this time to remove existing restrictions on the payment of silver certificates.

Upon motion, Governor Harding was requested to advise the Assistant Secretary that the Board has no objection to the Treasury Department removing such restrictions.

Mr. Miller submitted a letter from the Governor of the Federal Reserve Bank of San Francisco, relative to the purchase of a site for the proposed branch bank building at Salt Lake City, with the recommendation that the Board approve the purchase.

Approved.

At 1:20 p.m. a recess was taken until 3 p.m.

At 3:15 the Board reassembled, all those being present who were present at the morning session, with the exception of Mr. Logan.

Letter dated December 29th, from the French American Banking Corporation of New York, requesting permission to accept drafts drawn by banks or bankers for the purpose of creating dollar exchange, in accordance with regulations contained in Subdivision (b) of the Federal Reserve Regulations, such acceptance to be confined to drafts drawn by banks or bankers located in such countries as may be authorized from time to time by the Federal Reserve Board to draw drafts for the purpose of creating dollar exchange.

Approved.

Two letters dated December 28th, from the Chairman of the Federal Reserve Bank of Dallas, making recommendations relative to the employment and compensation of an employe at the Houston Branch, and an examiner at the head office.

Approved.

Letter dated December 30th, from the Acting Governor of the Federal Reserve Bank of New York, transmitting request for a modification of conditions of membership by the Buffalo Trust Company, of Buffalo, New York.

Approved.

Application dated December 31st, from the Railway Loan Advisory Committee, requesting approval of a form of loan in the amount of \$5,200,000. to be made to the National Railway Service Corporation, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Letter dated December 30th, from the Chairman of the Senate Committee on Banking & Currency, requesting the Board's opinion upon Senate Bill #4721, relating to the savings departments of National Banks.

Referred to the Governor for reply.

REPORTS OF COMMITTEE NO. 1:

Dated December 31st, 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 each application.

Approved.

Dated January 3rd, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated December 30th, Recommending refusal of the application of Mr. William C. Willard to serve at the same time as Director of the Hayden-Clinton National Bank of Columbus, Ohio, and the Columbus Savings Bank of Columbus, Ohio.

Approved.

Dated December 30th, Recommending holding for further information the application of Mr. H. E. Fish to serve at the same time as Director of the First National Bank of Erie, Pa., and the Security Savings & Trust Co., Erie, Pa.

Approved.

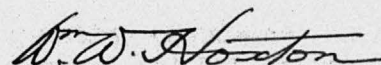
Dated December 30th, Recommending approval of the application of Mr. Charles O. Whitten to serve at the same time as Director of the Oceanic National Bank, Boston, and the Central Trust Company of Cambridge, Mass.

Approved.

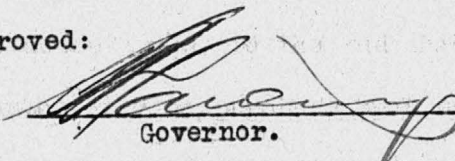
Dated January 3rd, Recommending approval of appointment of Mrs. Robert H. Ragan as Key Punch Operator in the Division of Reports & Statistics, at an annual salary of \$1200. per annum.

Approved.

At 4:20 p.m. the meeting adjourned.


Secretary.

Approved:


Governor.