

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, January 6th, at 11:25 a.m.

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

Minutes of the meeting of the Board held January 5th were read and on motion, approved, as amended.

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

Letter dated January 5th, from the Railway Loan Advisory Committee, requesting approval of a form of loan to be made to the Buffalo, Rochester & Pittsburgh Railway Company in the amount of \$1,000,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Letter dated January 5th, from the Railway Loan Advisory Committee, requesting approval of a form of loan to be made to the Chesapeake & Ohio Railroad Company in the amount of \$3,759,000., under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

Telegram dated January 5th, from the Governor of the Fed-

eral Reserve Bank of Dallas, requesting approval of the Board to the continuance of progressive penalty rate against member banks for deficient reserves without regard to calendar year.

Approved.

Letter dated January 4th, from the Governor of the Federal Reserve Bank of Cleveland, proposing certain modifications in the application of the progressive penalty rate for deficient reserves assessed against member banks.

Approved.

Letter dated January 3d, from the Assistant Treasurer of the United States, advising that no applications for the sale of bonds under Section 18 of the Federal Reserve Act have been received by the Treasury Department for the quarter ending December 31, 1920.

Noted.

Letter dated January 5th, from the Comptroller of the Currency, calling attention to schedule attached to his letter showing the relation of that paper in the portfolios of certain member banks in larger centers, which said banks have reported to the Comptroller as eligible for rediscount to the deposit accounts of said banks.

Noted.

Governor Harding submitted a draft of letter which he had prepared for transmission to Senator Smoot, in reply to a suggestion from Senator Smoot that it might be possible to declare notes representing real estate loans eligible for rediscount.

Approved.

## REPORTS OF COMMITTEE NO. 1:

Dated January 4th, Recommending admission of State institutions  
 " " 5th, 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 6th, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated January 6th, Recommending that authority be given to certain National Banks to purchase stock in corporations organized under the so-called Edge Act, as set forth in the auxiliary minute book as of this date.

Approved.

Dated January 4th, Recommending approval of the application of Mr. H. B. Ahrensfield to serve at the same time as Director of the National Produce Bank of Chicago, Ill., and the Crawford State Savings Bank, Chicago.

Approved.

Dated January 4th, Recommending approval of the application of Mr. E. O. Anderson to serve at the same time as Director of the Independence Trust Co. of Charlotte, N.C., and the First National Bank, Lincolnton, N.C.

Approved.

Dated January 4th, Recommending approval of the application of Mr. Edgar T. Brackett to serve at the same time as Director of the First National Bank, Albany, N.Y., and the Adirondack Trust Co., of Saratoga Springs, N.Y.

Approved.

Dated January 5th, Recommending approval of the application of Mr. O. J. Woodward to serve at the same time as Director of the First National Bank of Fresno, Calif. and the First National Bank of Selma, Calif.; and as Director of the First National Bank of Selma, Calif. and the Bank of Italy, San Francisco. Recommending refusal to serve at the same time as Director of the First National Bank of Fresno and the Bank of Italy, San Francisco.

Approved.

Governor Harding submitted a letter dated January 5th, from the Bond Club of New York, expressing regret that the Governor will not be present at a meeting of the Club to be held shortly, and stating that invitations had been extended to all Federal Reserve Agents, that several Federal Reserve Agents had accepted, that some have not been heard from, and only one had definitely declined.

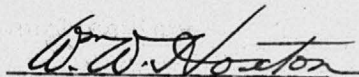
After full discussion, it was upon motion resolved that whereas the Board has been informed that the Bond Club of New York has issued invitations to all Federal Reserve Agents to attend a meeting of that Club at the time of a conference which has been called by the Division of Analysis & Research for the purpose of discussing the monthly reports of the Federal Reserve Agents. Be it resolved that it is the sense of the Federal Reserve Board that the Federal Reserve Agents should not, either individually or collectively, attend the proposed meeting of the Bond Club of New York, and that instructions should be issued postponing until a later date the conference proposed by the Division of Analysis & Research, to be held in New York on January 26th and 27th. In accordance with that part of the above action relating to the attendance of the Federal Reserve Agents upon the meeting of the Bond Club of New York, Governor Harding submitted a draft of letter addressed to all Federal Reserve Agents, which was, upon motion, approved.

Letter dated January 4th, from the Chairman of the Federal Reserve Bank of St. Louis, enclosing draft of a proposed circular covering the operation of the check collection system, and stating that the Federal Reserve Bank of St. Louis hesitates to transmit this circular to the member banks, because the circular necessitates express agreement to the terms thereof on the part of the member

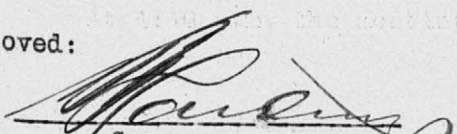
banks, and that it seems to the Federal Reserve Bank of St. Louis unfair to require this agreement from its member banks, unless it is prepared to secure a similar agreement from each of the other Federal Reserve Banks, covering checks received from other Federal Reserve Banks, and such checks as may be received from member banks in other districts which have been granted permission to route direct to the Federal Reserve Bank of St. Louis.

It was the sense of the Board that approval should be granted to the proposed circular of the Federal Reserve Bank of St. Louis, tentatively, and pending the issuance by the Board of a form letter for use between all districts, to be prepared by the General Counsel of the Board in accordance with the action taken at the last Governors' Conference, and concurred in by the Board in its circular letter X-3014, dated Jan. 4, 1921. Mr. Martin's letter was referred to Mr. Wills.

At 12:30 p.m. the meeting adjourned.

  
Secretary.

Approved:

  
Governor.