

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

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

PRESENT ALSO:
Mr. Logan.

Minutes of the meetings of the Board held January 7th and January 10th were read and on motion, approved.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business January 6th, 7th and 8th, 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%, as follows:

<u>Date</u>	<u>Bank rediscounting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Jan. 7	Atlanta	Cleveland	\$1,000,000	- - -
Jan. 7	Dallas	Cleveland	1,000,000	11-15 days
Jan. 10	Minneapolis	Cleveland	1,000,000	11-15 days

Memorandum dated January 6th, from the General Counsel, regarding the right of the Federal Reserve Board to authorize Federal Reserve Banks to purchase in the open market bankers' acceptances with maturities in excess of three months; the mem-

Memorandum being the comments of the General Counsel on a letter of December 30th from the Deputy Governor of the Federal Reserve Bank of New York.

Ordered redocketed as unfinished business.

Letters dated January 7th and 8th from the Chairman of the Federal Reserve Bank of Boston, submitting list of officers appointed by that Bank to serve for the year 1921; and a list of members of the committees on applications of State banks and Trust companies for membership in the Federal Reserve System.

Noted.

Letter dated January 8th, from the Governor of the Federal Reserve Bank of Atlanta, enclosing a list of the larger city banks in the Sixth Federal Reserve District which have reduced their lines with the Federal Reserve Bank of Atlanta between the dates of December 15, 1920 and January 6, 1921.

Noted.

Letters dated January 6th, from the Chairman of the Federal Reserve Bank of St. Louis, advising the Board of the re-election of Mr. F. O. Watts as its member of the Federal Advisory Council for the year 1921; and advising of the action of the Directors of the Federal Reserve Bank of St. Louis with respect to the re-election of directors of the several branches, and of managers, cashiers and assistant cashiers of same.

Noted.

Letter dated January 8th, from the Assistant Secretary of the Treasury, enclosing copies of his letters to the Governors of the Federal Reserve Banks of Philadelphia, Cleveland and Richmond, with reference to the assumption of the functions of the Sub-treasuries at Philadelphia, Cincinnati and Baltimore.

Noted.

Letters dated December 20th, from the Chairman of the Federal Reserve Bank of San Francisco to Mr. Miller, regarding banks applying for membership in the Federal Reserve Bank of San Francisco, with reference to collateral security required.

Referred to Mr. Miller for reply.

Memorandum dated January 11th, from Mr. Wills, transmitting the application of the Buffalo Trust Co., Buffalo, New York, for a modification of one of the conditions of membership which was imposed upon the said Trust Company by the Federal Reserve Board in October 1917, and recommending a modified condition in lieu of that originally imposed.

Approved.

Mr. Logan informed the Board that he had been advised by the Counsel of the Federal Reserve Bank of Richmond that a certain non-member bank in the Fifth Federal Reserve District had, in its capacity as a collection agent of the Federal Reserve Bank of Richmond, remitted for certain collection items drafts drawn upon

a National bank in Columbia, South Carolina, and that these drafts had been refused by the drawee bank on the grounds of insufficient funds.

Referred to the Executive Committee with power.

Upon motion, it was resolved to docket as special order business for Wednesday, January 12th the matter of discount rates on paper secured by United States Treasury certificates of indebtedness at all of the Federal Reserve Banks, and the proposal to increase from $5\frac{1}{2}\%$ to 6% the discount rate upon paper secured by Liberty Bonds and Victory Notes at those Federal Reserve Banks not having a 6% rate on such paper.

Letter dated January 7th, from the Assistant Federal Reserve Agent at Cleveland, recommending approval of the application of the Union Trust Company of Cleveland, Ohio, to accept drafts and bills of exchange up to 100% of its capital and surplus.

Approved.

Letter dated January 8th, from the Park-Union Foreign Banking Corporation, requesting authority to accept drafts drawn for the purpose of furnishing dollar exchange by banks or bankers in Australia, New Zealand and other Australasian dependencies, said drafts having no longer than three months sight to run.

Approved.

Letter dated January 7th, from the Secretary of the Treasury, with reference to the resumption of gold payments, and inclosing for the information of the Board, and for the information of the Federal Reserve Banks, a copy of the Secretary's further letter of instructions to the Treasurer of the United States.

Noted.

Letter dated January 8th, from the Comptroller of the Currency, addressed to Mr. Wills, referring to the action of the Whitney Central National Bank of New Orleans, La., in declining to honor drafts drawn under certain letters of credit issued by it, and advising that the subject had been taken up by the Comptroller's office with the Whitney Central National Bank, and enclosing a letter from said Bank, under date of January 5th, setting forth an explanation of the status of the case.

Noted.

Letter dated January 4th, from the Governor of the Federal Reserve Bank of Philadelphia, transmitting recommendations for adjustments in salaries affecting the employes of the Bank, exclusive of officers.

Approved upon recommendation of Messrs. Platt and Wills.

Letter dated January 10th, from the Governor of the Federal Reserve Bank of Richmond, inquiring as to the wishes of the

Federal Reserve Board with reference to a request from the War Finance Corporation that the Federal Reserve Bank of Richmond receive subscriptions to the bonds of said Corporation.

Upon motion, it was ordered to notify the Federal Reserve banks, as fiscal agents for the Government, to receive the subscriptions for War Finance Corporation bonds.

Letter dated January 8th, from the Chairman of the Federal Reserve Bank of Dallas, advising that Mr. Edward Hall, a Class "A" Director of the Federal Reserve Bank of Dallas, would probably be designated by the Governor elect of Texas as Commissioner of Insurance and Banking, and inquiring if the acceptance of such an appointment by Mr. Hall would disqualify him from continuing to hold his position as Class "A" Director.

Governor Harding was requested to reply to Judge Ramsey that the Board sees no legal reason for considering Mr. Hall as disqualified as a Class "A" Director, should he accept the position suggested, and is willing for the present that Mr. Hall continue serving his term as a Class "A" Director; although, upon further consideration, it may be found that such service is inconsistent with a former resolution of the Board to the effect that no Director of a Federal Reserve Bank should contemporaneously hold a public office.

Upon motion of Mr. Miller, Mr. William Sproule was elected to serve the unexpired term of Mr. Edward Elliott as a Class "C" Director in the Federal Reserve Bank of San Francisco.

Letter dated January 9th, from the Chairman of the Federal Reserve Bank of New York, requesting modifications in the act-

ion taken by the Federal Reserve Board relative to the salaries authorized for certain officers of the Federal Reserve Bank of New York.

Upon recommendation of Messrs. Platt and Wills, the Board concurred in the original recommendation of the Federal Reserve Bank of New York that the salaries of Messrs. Rounds and Gilbert be increased \$2,500 each, and declined to reverse that part of its action which specified an increase in the salary of Mr. Kenzel of \$4,000 per annum.

Letter dated January 7th, from the Secretary of the Treasury, referring to a letter of January 5th from Governor Harding which suggested that the Treasury notify the American banks having branches in the Orient, with whom the arrangement of December 1919 with reference to silver was entered into, of the discontinuance of that arrangement. The opinion was expressed by the Secretary of the Treasury that in view of the present price of foreign silver, the arrangement referred to is now obsolete, and that the notification of the discontinuance of the arrangement should be given by the Federal Reserve Board.

Referred to Governor Harding, with the request that the Acting Director of the Division of Foreign Exchange of the Federal Reserve Board be instructed to notify the banks concerned.

Application dated January 3rd, from the First Federal Foreign Banking Association, to issue debentures against special collateral.

Referred to Governor Harding for reply, to the effect that the Board is not at present willing to grant the privilege of issuing debentures, because the said Company has acceptances outstanding, and is continuing in the business of accepting drafts.

REPORTS OF COMMITTEE NO. 1:

Dated January 7th, Recommending changes in stock at Federal
 " " 10th, Reserve Banks, as set forth in the auxiliary
 minute book as of this date.

Approved.

Dated January 10th, Recommending appointment of Miss Ella Short
 as Stenographer in the office of the Chief
 Clerk, at a salary of \$1440 per annum, ef-
 fective January 13th.

Approved.

Dated January 10th, Recommending appointment of Miss Frances
 Swaine as General Assistant in the office
 of the Assistant to Governor, at a salary
 of \$1800 per annum, effective January 18th.

Approved.

Dated January 6th, Letter from the Deputy Comptroller of the
 Currency, submitting the following changes
 in the National Bank Examining force:

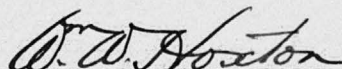
Dist. #2: Russell P. Clayton appointed and
 assigned to the district. William Z.
 Hayes, resigned.

Dist. #3: K. E. Cecil, resigned.

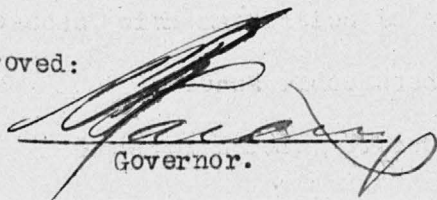
Dist. #6: W. C. Roberts, resigned.

Dist. #11: J. E. Thompson, resigned.

At 1 p.m. the meeting adjourned.


 Secretary.

Approved:


 Governor.