

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, January 12th, at 11:15 a.m.

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

Minutes of the meeting of the Board held January 11th were read, and on motion approved, as amended.

In accordance with the action of the Board at its meeting on January 3d, Governor Harding submitted a draft of letter prepared in reply to the letter from the Comptroller of the Currency, dated December 28, 1920, advocating certain changes in the policies of the Federal Reserve Board.

Approved.

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.

Ordered redocketed as unfinished business.

Governor Harding stated that the special order business docketed for today was the matter of discount rates on paper secured by United States Treasury Certificates of Indebtedness at the Federal Reserve banks, and the proposal to increase to 6% the discount rate upon paper secured by Liberty Bonds and Victory

Notes at those banks where the present rates are below 6%. The Chairman stated that he desired to be considered as being in a neutral position in the matter of the discount rates adopted by the Federal Reserve banks upon paper secured by United States Treasury Certificates of Indebtedness.

After some discussion, it was determined to secure expression of opinion from the Federal Reserve banks, and to give the entire matter consideration at the meeting of the Board tomorrow.

(At this point the Chairman withdrew from the meeting.)

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business January 10th, and the status of rediscounts between the Federal Reserve banks as of the same date.

Letter dated January 7th, from the French American Banking Corporation of New York, requesting authority to accept drafts or bills of exchange drawn upon it, having not longer than three months sight to run, exclusive of the days of grace, drawn by banks or bankers in Australia, New Zealand and other Australasian dependencies, for the purpose of furnishing dollar exchange.

Approved.

Governor Harding submitted a draft of letter prepared by him in reply to a request from the Chairman of the Senate Committee on Banking and Currency that the Board express an opinion with reference to Senate Bill No. 4799.

Approved.

Letters dated December 28, 1920 and January 4, 1921, from the Chairman of the Federal Reserve Bank of Dallas, transmitting certain adjustments in salaries and positions in the Federal Reserve Bank of Dallas, and in the Federal Reserve Agent's Department of that Bank.

Approved upon recommendation of Mr. Platt and Mr. Wills.

Letter dated January 5th, from the Chairman of the Federal Reserve Bank of Atlanta, making recommendations covering adjustments of salaries in the Federal Reserve Agent's Department and recommending that Mr. C. R. Tidwell be designated as Assistant Federal Reserve Agent.

Approved upon recommendation of Mr. Platt and Mr. Wills.

Upon recommendation of the Clayton Act Committee, the Board cancelled action formerly taken on January 4th, and approved the application of Mr. W. C. Willard to serve as President and Director of the Hayden-Clinton National Bank, and Vice-President, Director and Treasurer of the Columbus Savings Bank, both institutions being located in Columbus, Ohio.

Letter dated January 11th, from the Director of the Division of Analysis & Research, requesting cancellation of the increase in salary granted to Miss Dorothy Davis on December 23d.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated January 10th, 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 11th, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated January 11th, 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 12th, Recommending approval of the appointment of Mr. J. A. Holley to serve at the same time as Director of the Charleston National Bank of Charleston, West Virginia, the Union Trust Company of Charleston, West Va., and the Lincoln National Bank of Hamlin, West Va.

Approved.

At 1:10 p.m. the meeting adjourned.

W. W. Houston
Secretary.

Approved:

[Signature]
Governor.