

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, January 13th, at 11:45 a.m.

PRESENT: Governor Harding

Mr. Platt

Mr. Hamlin

Mr. Miller

Mr. Wills

Mr. Williams

Mr. Hoxton, Secretary.

Minutes of the meeting of the Board held January 12th were read, and on motion, approved.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business January 11th, 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 redis-</u> <u>counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Jan. 11	Atlanta	Cleveland	\$1,000,000	- - -
Jan. 11	Minneapolis	Boston	2,500,000	11-15 days
Jan. 11	Dallas	Cleveland	2,000,000	11-15 "
Jan. 12	Atlanta	Boston	1,250,000	- - -
Jan. 12	Dallas	Cleveland	7,000,000	11-15 "
Jan. 12	Minneapolis	Philadelphia	1,000,000	11-15 "

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.

No action.

Special order business: 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 to 6% the discount rate upon paper secured by Liberty Bonds and Victory Notes at those Federal Reserve Banks having at present a rate of under 6%.

Action postponed until next meeting.

Letter dated January 7th, from the Chairman of the Federal Reserve Bank of San Francisco, enclosing copy of resolution for payment of dividends for the period July 1, 1920 to December 31, 1920, together with statement of earnings.

Upon motion, the payment of the dividend was approved.

Letters dated January 7th, from the Chairman of the Federal Reserve Bank of San Francisco, advising of the employment of Mr. Fred Caudle in the Credit Department of that Bank, at a salary of \$2,700 per annum, and of the employment of Mr. Erret Fay Sims in the Discount Department, at a salary of \$3,600 per annum.

Noted.

Letter dated January 13th, from the Comptroller of the Currency, with reference to a report from the Chief National Bank Examiner of the Ninth Federal Reserve District, that Federal Reserve Bank Examiner Carlson had ordered the closing of two national banks in Montana.

Upon motion, it was resolved to request the Chairman of the Federal Reserve Bank of Minneapolis by wire to secure all the facts in the case, and forward a full report to the Federal Reserve Board.

Governor Harding signed and delivered to Mr. Williams his reply to the Comptroller's letter of December 28th, which was submitted to and approved by the Federal Reserve Board at its meeting on January 12th.

Letter dated January 12th, from the First Federal Foreign Banking Association, acknowledging receipt of the Board's reply to its application to issue debentures, and inquiring if there is any objection to the said Association purchasing the notes of the French Company in question, and selling such notes with its indorsement.

Upon motion, it was resolved that there is no objection to the First Federal Foreign Banking Association proceeding in the manner suggested.

Telegram dated January 12th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting the Board to reconsider the action taken with reference to the salary of the Assistant to the Deputy Governor of the Federal Reserve Bank of San Francisco, and to authorize the salary originally recommended by the Board of Directors of that Bank.

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

Letter dated January 8th, from the Chairman of the Federal Reserve Bank of Kansas City, enclosing sworn copy of the Federal Reserve Board's letter to the Farmers State Bank of Allen, Neb., the original of which was served on the said Bank by one of the

employees of the Omaha Branch of the Federal Reserve Bank of Kansas City; also, enclosing waiver, from which it appears that the Farmers State Bank's representative will appear before the Federal Reserve Agent on Tuesday, January 11th, to offer whatever evidence it may have as to why it should not be compelled to surrender its stock in the Federal Reserve Bank of Kansas City at this time.

Noted.

Upon the request of the Comptroller of the Currency, Governor Harding read to the Board a letter of January 12th, from Mr. Williams, in regard to present and past conditions and practices in the Chase National Bank of New York.

Noted.

Mr. Hamlin submitted a memorandum expressing his views regarding the eligibility of cotton factors' paper, and stated that, in his opinion, the paper of commission merchants should be regarded as ineligible for discount at Federal Reserve banks, under the Board's ruling regarding cotton factors' paper. Specifically, Mr. Hamlin also mentioned that the Federal Reserve Bank of Boston was declining to discount the paper of the Quincy Market Cold Storage Warehouse Company, and that the Federal Reserve Bank of New York was accepting that paper, as well as paper of the Union Terminal Cold Storage Warehouse Company of New York.

Referred to Governor Harding, with request that he write to the Federal Reserve Bank of New York regarding the discount by that Bank of the Cold Storage Company's paper referred to.

REPORTS OF COMMITTEE NO. 1:

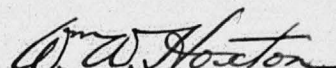
Dated January 11th, Recommending approval of the application of Mr. A. B. Sims to serve at the same time as Director and Vice-President of the Fulton National Bank of Atlanta, Ga., and as trustee and Vice-President of the Continental Trust Company of Atlanta, Ga.

Approved.

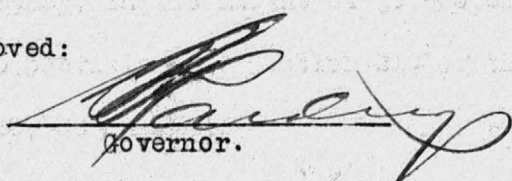
Dated January 12th, Recommending refusal of the application of Mr. J. K. Secor to serve at the same time as director and officer of the Northern National Bank of Toledo, Ohio, and as director of the Union Savings Bank of Toledo, Ohio.

Approved.

At 1:05 p.m. the meeting adjourned.


Secretary.

Approved:


Governor.