A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, January 19, 1921, at 11:25 a.m.

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

PRESENT ALSO:
Mr. Logan, General Counsel.

Minutes of the meeting of the Board held January 17th were read, and on motion, approved.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business January 12th, 14th and 17th, 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%, as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Bank rediscounting</th>
<th>With</th>
<th>Amount</th>
<th>Maturities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 13</td>
<td>Kansas City</td>
<td>Cleveland</td>
<td>$2,004,137.50</td>
<td>11-13 days</td>
</tr>
<tr>
<td>Jan. 13</td>
<td>Dallas</td>
<td>Cleveland</td>
<td>2,000,000.00</td>
<td>11-15 &quot;</td>
</tr>
<tr>
<td>Jan. 14</td>
<td>Dallas</td>
<td>Cleveland</td>
<td>3,000,000.00</td>
<td>11-15 &quot;</td>
</tr>
<tr>
<td>Jan. 14</td>
<td>Atlanta</td>
<td>Cleveland</td>
<td>2,500,000.00</td>
<td>11-15 &quot;</td>
</tr>
<tr>
<td>Jan. 17</td>
<td>Atlanta</td>
<td>Boston</td>
<td>2,500,000.00</td>
<td>(Comm. paper)</td>
</tr>
<tr>
<td>Jan. 18</td>
<td>Richmond</td>
<td>Boston</td>
<td>5,000,000.00</td>
<td>11-15 days</td>
</tr>
<tr>
<td>Jan. 18</td>
<td>Dallas</td>
<td>Cleveland</td>
<td>3,500,000.00</td>
<td>11-15 &quot;</td>
</tr>
</tbody>
</table>

Letters dated January 12th, from the Assistant Secretary of the Treasury, enclosing copy of Treasury Department circular
No. 224, dated January 12, 1921, discontinuing the United States Sub-Treasury at Baltimore at the close of business Friday, January 14th. Also, copy of a letter from the Assistant Secretary of the Treasury to the Governor of the Federal Reserve Bank of Richmond, with respect to the assumption by the Baltimore Branch of the Federal Reserve Bank of Richmond of currency and coin transactions contemplated by the Secretary's confidential instructions of August 30th and October 19, 1920.

Noted.

Telegram dated January 15th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the appointment of Henry C. Breck as Assistant Federal Reserve Agent.

Approved.

Mr. Williams stated that he had prepared a reply to the letter from the Federal Reserve Board, dated December 28, 1920, and requested that a time be fixed when it would suit the convenience of the Board to receive and discuss the reply referred to.

Ordered docketed as special order business tomorrow, January 20, 1921.

Letter dated January 11th, from the Chairman of the Federal Reserve Bank of Kansas City, requesting approval of certain changes in personnel and adjustment of salaries in the Examination Department of that Bank.

Approved.

Noted.

Letter dated January 13th, from the Chairman of the Federal Reserve Bank of St. Louis, stating that the Bank had employed an architect to draw up plans for the proposed new building of the Little Rock branch, and requesting advice as to further procedure in the matter.

Referred to Governor Harding for reply.

Letter dated January 14th, from the Chairman of the Federal Reserve Bank of Kansas City, submitting the names of officers for 1921 at that Bank, and the names of officers and directors at the branches.

Noted.

Telegram dated January 19th, from the Assistant Federal Reserve Agent at Cleveland, inquiring if there is any objection to the use of the word "National" in the title of a newly acquired branch of the Guardian Trust Company of Cleveland, Ohio.

It was the opinion of the Board that the use of the word "National" by the institution referred to will constitute a violation of Section 5243 of the Revised Statutes, and the General Counsel was requested to prepare an appropriate telegram to the Federal Reserve Bank of Cleveland.

At this point Mr. Williams withdrew from the meeting.
Letter dated January 18th, from the Federal Reserve Bank of New York, enclosing an application of the Irving National Bank of New York to accept drafts or bills of exchange drawn by banks in Australia, New Zealand, and other Australasian dependencies, for the purpose of furnishing dollar exchange.

Approved.

Letter dated January 17th, from the Assistant Secretary of the Treasury, enclosing a copy of a letter, dated January 13, 1921, from the Secretary of the Treasury to the Treasurer of the United States, directing that the amounts received by the United States from the net earnings of the Federal Reserve banks for the calendar year 1920 be applied to the retirement of Treasury Certificates of Indebtedness, maturing January 15, 1921.

Noted.

Letter dated January 12th, from the Chairman of the Federal Reserve Bank of Minneapolis, making certain recommendations as to personnel and salaries in the Federal Reserve Agents Department of that Bank.

Referred to Messrs. Platt and Wills.

Letter dated January 12th, from the Governor of the Federal Reserve Bank of Minneapolis, transmitting resolution of the Board of Directors of that Bank relative to the election of officers and the fixing of their salaries at the head office, and at the branch at Helena, Montana.

Referred to Messrs. Platt and Wills.

Referred to Messrs. Platt and Wills.

Letter dated January 17th, from the Chairman of the Federal Reserve Bank of Richmond, requesting approval of the Board for certain appointments which have been made by that Bank, both at the head office and at the Baltimore branch.

Approved.

Letter dated January 15th, from the Federal Reserve Bank of Chicago, reporting action of the Building Committee of that Bank at a meeting held January 14th, relative to the rental of space in the new bank building to the Chicago Clearing House Association.

Approved.

Telegram dated January 19th, from the Chairman of the Federal Reserve Bank of San Francisco, stating that subject to the review and determination of the Federal Reserve Board, the Directors of that Bank had at a meeting held today fixed a uniform rate of 6% on all paper secured by Treasury Certificates of Indebtedness, effective Monday, January 24th.

Approved.

Draft of letter dated January 18th, to the Federal Reserve Bank of San Francisco, in reply to an inquiry as to whether an
auditor employed by two member banks would be required to secure the permission of the Federal Reserve Board for such double service under the terms of the Clayton Act.

Approved.

Letter dated January 14th, from the Consulting Architect, recommending that the Federal Reserve Bank of Richmond be authorized to proceed with the construction of the annex to its new building under plans which have been submitted to the Consulting Architect.

Approved, and referred to Governor Harding for reply.

Letter dated January 12th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting the Board to accede to the recommendation of the Board of Directors of that Bank, and authorize an increase in the salary of Governor Calkins, from $24,000 to $30,000 per annum.

Noted.

Draft of letter dated January 19th, prepared by Governor Harding, addressed to all Federal Reserve banks, to the effect that in accordance with recent action taken by the Treasury Department, it is no longer important that silver dollars be segregated and held, and that there now remains no reason why silver dollars and silver certificates should not be paid out by Federal Reserve banks and member banks.

Approved.
Governor Harding stated that Mr. Wills was of the opinion that the names of certain members of the staff of the Federal Reserve Board should continue to appear upon that page of the Federal Reserve Bulletin which has heretofore contained the names of the members of the Federal Reserve Board.

Upon motion, it was so ordered.

Mr. Hamlin stated that in accordance with the action of the Board at the meeting held on January 17th, with reference to the proposed expulsion from the Federal Reserve System of the Bank of Goltry, Goltry, Oklahoma, and the Farmers State Bank of Allen, Nebraska, he desired to submit the following reports:

IN THE MATTER OF

Bank of Goltry, Goltry, Oklahoma.

Hearing to show cause why Bank of Goltry, Goltry, Oklahoma, should not be required to surrender its stock in the Federal Reserve Bank of Kansas City, and to forfeit all rights and privileges of membership in the Federal Reserve System, held in the offices of the Federal Reserve Board in the Treasury Building, Washington, D.C., at 11 a.m. on January 18, 1921, pursuant to the notice given to the Bank of Goltry, dated December 16, 1920.

PRESENT:

MR. CHARLES S. HAMLIN, member of the Federal Reserve Board, having been previously designated and directed by the Board to hear the testimony presented and transmit to the Board a copy thereof together with such exhibits as may be offered.

Mr. Walter S. Logan, General Counsel to the Federal Reserve Board.

No one appeared in behalf of the Bank of Goltry, Goltry, Oklahoma.

Dated January 18, 1921. (Signed) C. S. HAMLIN
FARMERS STATE BANK, ALLEN, NEBRASKA

Hearing to show cause why Farmers State Bank, Allen, Nebraska, should not be required to surrender its stock in the Federal Reserve Bank of Kansas City, and to forfeit all rights and privileges of membership in the Federal Reserve System, held in the offices of the Federal Reserve Board in the Treasury Building, Washington, D.C., at 11 a.m. on January 18, 1921, pursuant to the notice given to the Farmers State Bank, dated December 29, 1920.

PRESENT:

Mr. CHARLES S. HAMLIN, member of the Federal Reserve Board, having been previously designated and directed by the Board to hear the testimony presented and transmit to the Board a copy thereof together with such exhibits as may be offered.

Mr. Walter S. Logan, General Counsel to the Federal Reserve Board.

No one appeared in behalf of the Farmers State Bank, Allen, Nebraska, that bank having notified the Federal Reserve Board that it waived its right to appear at the hearing and that it preferred to appear before the Federal Reserve Agent at his office in the Federal Reserve Bank of Kansas City on the morning of January 11, 1921, to present such evidence as it may care to have transmitted to the Federal Reserve Board for the consideration of that Board in determining whether the Farmers State Bank, Allen, Nebraska, should be required to surrender its stock in the Federal Reserve Bank of Kansas City and to forfeit all rights and privileges of membership in the Federal Reserve System.

(Signed) C. S. HAMLIN

Dated January 18, 1921.

In accordance with the above reports, a letter of January 18th, prepared by the General Counsel, to the Bank of Goltry, Goltry, Oklahoma, directing said bank to withdraw from membership in the Federal Reserve System was approved.

Action was postponed in the case of the Farmers State Bank, of Allen, Nebraska, in view of the appeal of that Bank contained in its letter of January 10th.
Letter dated January 15th, from the General Counsel of the Federal Reserve Bank of Atlanta, stating that he had obtained the consent of General Frierson, the Solicitor General, to join in a motion to the United States Supreme Court to advance the parole case on the argument calendar as soon as the said case reaches the office of the United States Clerk, and suggesting that a letter be addressed by the Governor of the Federal Reserve Board to the Solicitor General, requesting him formally to join in the motion referred to, and briefly outlining the importance of the case, with particular reference to the fact that the Government is a real party to the litigation, although not technically so on record.

Approved. Referred to General Counsel to prepare draft of letter.

Letter dated January 10th, transmitted by the Federal Reserve Bank of Kansas City, addressed to the Federal Reserve Board, from the Farmers State Bank, of Allen, Nebraska, making an appeal that the said bank shall not be compelled to sever its connection with the Federal Reserve System, and giving reasons therefor.

Referred to Mr. Hamlin for report.

REPORTS OF COMMITTEE NO. 1:

Dated January 18th, Recommending changes in stock at Federal Reserve banks, as set forth in the auxiliary minute book as of this date. (Approved.)

Dated January 15th, Resignation of Miss Carolyn M. Merriman as a member of the staff of the Federal Reserve Board, effective January 31, 1921.

Noted.
Dated January 19th, Recommending appointment of Mrs. Mary H. Watson as Assistant in the Board's filing division, at a salary of $1500. per annum, effective January 31, 1921.

Approved.

Dated January 19th, Recommending appointment of Ira H. Stewart, as Messenger in the Federal Reserve Board, at a salary of $85.00 per month, effective January 24, 1921.

Approved.

At 1 p.m. the meeting adjourned.

Approved:

[Signature]

Secretary

[Signature]

Governor.