

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, January 20, 1921, at 11:15 a.m.

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

PRESENT ALSO:  
 Mr. Logan, General Counsel.

Minutes of the meeting of the Board held January 19th were read, and on motion, approved.

The Governor reported the reserve positions of the several Federal Reserve Banks as at close of business January 18th, 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 "

Letter dated January 13th, from the Governor of the Federal Reserve Bank of Cleveland, enclosing letter from the architects of that Bank with reference to the proposed vault work in the new

building, and requesting authority to proceed to enter into a contract for the work.

Approved.

Telegram dated January 19th, from the Chairman of the Federal Reserve Bank of Dallas, making recommendation for an increase in the salary of the Cashier of that Bank.

Referred to the Executive Committee with power.

Telegram dated January 19th, from the Chairman of the Federal Reserve Bank of St. Louis, advising that the Board of Directors of that Bank had at its meeting yesterday, subject to the review and determination of the Federal Reserve Board, established rates on loans secured by United States Treasury Certificates of Indebtedness as collateral the same rate as borne by the certificates offered for collateral; thus providing an additional rate of 6% on paper secured by 6% certificates.

Approved. Governor Harding was requested to wire the Federal Reserve Bank of St. Louis that while the Board approves the establishment of the rate as suggested, it prefers a 6% flat rate upon paper secured by all issues of United States Treasury Certificates of Indebtedness, regardless of the rate borne by the certificates.

Telegram dated January 14th and letter dated January 17th, from the Chairman of the Federal Reserve Bank of Chicago, requesting the Board's approval of employing in the Division of Examination of that Bank Mr. Charles F. Riddell and Mr. C. S. Young, at salaries as stated.

Approved.

Letter dated January 18th, from the Chairman of the Federal Reserve Bank of Atlanta, advising that the Bank had purchased additional real estate at a cost of \$180,000, as previously authorized by the Board.

Noted.

Mr. Wills stated that he had made application to the War Department for certain ordnance supplies desired for the protection of the Federal Reserve Bank of Cleveland, but that the War Department had declined the request, although in the opinion of Mr. Wills the War Department would be willing to comply with the request of the Federal Reserve Bank of Cleveland, if the request should come from some other Governmental department, based upon the desirability of such ordnance supplies being issued for the protection of Government property.

Upon motion, Mr. Wills was authorized to request the Secretary of the Treasury to address a communication to the Secretary of War in regard to this matter.

Telegram dated January 19th, from the Chairman of the Federal Reserve Bank of San Francisco, suggesting that a member of the Federal Reserve Board attend a conference to be held in San Francisco on January 28th, of the officers and directors of that Bank and its branches, including the member of that district of the Federal Advisory Council.

Referred to Mr. Miller with power.

Memorandum dated January 19th, from Mr. Emerson, stating the procedure formerly adopted by the Board with respect to the method of passing upon drafts of the annual reports of the Federal Reserve banks, and requesting whether or not the same procedure shall be adopted in this matter as was adopted in previous years.

Upon motion, it was resolved that in order to save time and prevent needless delay, the annual reports, as soon as received by the office of the Federal Reserve Board, should be sent direct to the Director of the Division of Analysis & Research for checking by that Division, and return as soon as practicable to this office.

Memorandum dated January 20th, from the General Counsel, submitting draft of a reply to a letter dated January 19, 1921, addressed to the Federal Reserve Board by Henry V. Poor, making certain inquiries in behalf of the proposed foreign trade financing corporation.

Upon motion, the draft of reply was approved and ordered transmitted over the signature of the General Counsel.

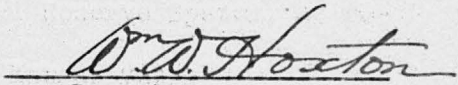
At this point Mr. Williams entered the meeting.

Special order business: Mr. Williams presented to the Board, and requested the Secretary to read aloud, his letter of January 17th in reply to a letter of January 13th from the Governor of the Federal Reserve Board, which latter letter was approved by the Federal Reserve Board at its meeting on January 12th, and constituted the Board's reply to a letter of December 28, 1920, from Mr. Williams. At the conclusion of the reading

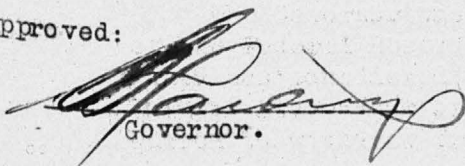
of the letter above referred to, Mr. Williams moved that the various suggestions made by him in his letters of December 28, 1920 and January 17, 1921, be adopted as the policy of the Federal Reserve Board. This motion received no second. Mr. Hamlin moved that the Board request the Comptroller of the Currency to submit his recommendations in the form of definite written motions, and that consideration of the matter be postponed until the Board has before it the said definite written motions.

Mr. Hamlin's motion was duly seconded and carried.

At 1:30 p.m. the meeting adjourned.

  
Secretary.

Approved:

  
Governor.