A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, March 8, 1921, at 11:10 a.m.

PRESENT: Governor Harding
Mr. Platt
Mr. Hemlin
Mr. Miller
Mr. Hoxton, Secretary.

Minutes of the meeting of the Board held March 3d were read and on motion, approved.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business March 4th and 5th, 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>March 3</td>
<td>Dallas</td>
<td>Cleveland</td>
<td>$6,000,000</td>
<td>11-15 days</td>
</tr>
</tbody>
</table>

Governor Harding reported that Mr. George L. Harrison, Deputy Governor of the Federal Reserve Bank of New York, had returned to him the correspondence from the Comptroller of the Currency referred to in the minutes of the meeting of the Board on March 3d.

Letter dated March 5th, from the Secretary of the Federal Reserve Bank of Cleveland, requesting approval of the action of the Board of Directors of that bank in the matter of a bonus upon a reduced scale for the months of January, February and March, 1921.

Approved.
Letter dated March 4th, from the Chairman of the Federal Reserve Bank of Chicago, suggesting that in order to facilitate cooperation between National Bank Examiners and Federal Reserve Bank Examiners that the latter be commissioned by the Comptroller of the Currency as National Bank Examiners.

Referred to Governor Harding with power.

Letter dated March 5th, from the Chairman of the Federal Reserve Bank of Chicago, advising the Board that the Operating Department of that bank was proceeding with the organization of a special department to be charged with the duty of supervising the operations of over extended and weak member banks.

Referred to Governor Harding for reply.

Draft of letter prepared by the office of the General Counsel and addressed to the Chairman of the Federal Reserve Bank of San Francisco, setting forth the position taken by the Federal Reserve Board with reference to applications made by National Banks for permission to subscribe to corporations organized under the so-called Edge Act.

Approved.

Mr. Platt submitted to the Board a report of the Executive Committee, supplementary to its report of February 28, 1921.

Approved, and ordered filed with original report.

After some discussion relative to the gold holdings of the
Federal Reserve System, Mr. Miller moved as follows: "that beginning on or about April 1, 1921, the published statement of condition of each Federal Reserve bank and the published consolidated statement of condition of the twelve Reserve banks shall show, for the system as a whole (and for each of the Reserve banks its computed pro rata), all gold held in the Federal Reserve System in excess of $2,000,000,000 of gold, not as gold held in reserves, but as gold deposited with Federal Reserve agents for the reduction of liability on Federal Reserve notes; that the form of published statement issued be revised accordingly, and that the pro rata of the gold in excess of $2,000,000,000 shall be computed for each of the Federal Reserve banks by the Board's Statistician; and that the revised form of statement no longer show the reserves against combined deposit and note liability".

Upon motion, ordered laid upon the table.

With reference to the volume of Federal Reserve notes in circulation in foreign countries, Mr. Hamlin moved that Governor Harding take up with the several Federal Reserve banks the matter of securing reports from time to time from member and non-member banks, showing the volume of unfit Federal Reserve notes received for redemption from foreign countries; this inquiry to be made with especial reference to those banks in this country which do a foreign business.
Telegram and letter dated March 3d, from the Chairman of the Federal Reserve Bank of St. Louis, stating that the Board of Directors of that bank had voted against raising the rate upon loans secured by Liberty Bonds and Victory Notes from 5 1/2% to 6%. Mr. Miller moved that the Federal Reserve Board, in the exercise of its power of review and determination, fix a 6% rate upon such loans.

Ordered laid upon the table pending further communication on the subject with the Federal Reserve Bank of St. Louis.

Memorandum dated March 3d, from Mr. Jacobson with regard to the request of Mr. Sheeley, of the National Credit Mews Association, for reports of gold reserves, note circulation, etc.

Approved.

Letter dated March 1st, from the Chairman of the Federal Reserve Bank of Philadelphia, announcing that that bank on October 6, 1920, had advanced the rate of discount for indorsed bankers acceptances from 5 1/2% to 6% for all maturities, and regretting that the matter of the Board’s approval for this change had been overlooked.

The rate of 6%, as above, was, upon motion, approved, to be retroactive to October 6, 1920.

Letter dated March 2d, from Mr. M.C. Elliott, submitting his resignation as a member of the Railway Loan Advisory Committee of the Federal Reserve Board.

Accepted.

Letter dated March 3d, from the Chairman of the Federal Reserve Bank of Richmond, advising of the appointment of Mr. W. Reed
Seal to the Examining Department of that Bank, at an initial salary of $2,760 per annum.

Approved.

Letter dated March 4th, from the Vice President of the Merchants National Bank of Richmond, suggesting that for the benefit of member banks the Federal Reserve System establish its own secret service organization.

Upon motion, referred as a topic for the next Governors' Conference.

Telegram dated March 5th, from the Chairman of the Federal Reserve Bank of San Francisco, with reference to the issuance to the public of the monthly reports of business condition.

Referred to Governor Harding and Vice Governor Platt with power.

Letter dated March 7th, from the Southern Realty Corporation, giving the Board formal notice to vacate the space now occupied by it in the Southern Building.

Referred to Governor Harding with power.

Letter dated March 3d, from the Railway Loan Advisory Committee, requesting approval of a form of loan, in the amount of $1,175,500, to be made to the Seaboard Air Line Railway, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Ratified, having been approved by members of the Board on March 7th.

Letter dated March 3d, from Mr. Herret P. Caskey, Section Supervisor, Division of Reports & Statistics, tendering his resig-
nation, to take effect at the close of business April 9, 1921.

Accepted.

Letter dated March 2d, from the Comptroller of the Currency, announcing the appointment of Mr. Claude H. Beatty as National Bank Examiner, assigned to assist the Chief National Bank Examiner in New York City, and requesting the Board's approval of a salary of $6,000 per annum.

Approved.

Application dated March 3, 1921, of the Liberty National Bank, New York City (if and when converted to the) Liberty Bank of the City of New York, for admission to the Federal Reserve System; for permission to accept up to 100% of its capital; and for permission to accept drafts drawn upon it by banks or bankers in certain designated foreign countries, for the purpose of furnishing dollar exchange.

The above having been approved by four members of the Board on March 5th, was upon motion, duly ratified.

REPORTS OF COMMITTEE NO. 1:

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

Approved.

Dated March 1st, Recommending approval of applications for fiduciary powers as set forth in the auxiliary minute book as of this date.

Approved.

Dated March 5th, Recommending approval of admission of state institutions, subject to the individual reports attached to each application, as set forth in the auxiliary minute book as of this date.

Approved.
Dated March 8th, Recommending that authority be given to certain National banks to purchase stock in corporations organized under the Edge Act, as set forth in the auxiliary minute book as of this date.

Approved.

Dated March 2nd, Recommending approval of the application of Mr. W. A. Bonynge to serve at the same time as President and director of the Commercial National Bank of Los Angeles, Cal., and as director of the Golden State National Bank, Anaheim, Cal.

Approved.

Dated March 2nd, Recommending approval of the application of Mr. L. L. Harmon to serve at the same time as director of the Phoenix National Bank, Phoenix, Ariz., and as director of the Tempe National Bank, Tempe, Arizona.

Approved.

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

Approved:

[Signature]

Governor.

[Signature]

Secretary.