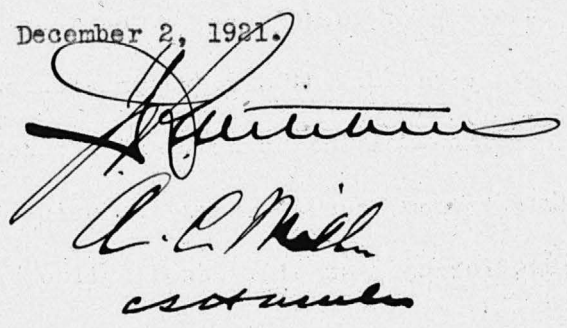


FEDERAL RESERVE BOARD
WASHINGTON

December 2, 1921.

Governor Harding,
Federal Reserve Board.

Please call a meeting of the Federal Reserve
Board for 11:30 a.m. today, December 2, 1921.



C. L. Miller
Assistant Secretary

A meeting of the Federal Reserve Board was held in the office of the Board on Friday, December 2, 1921, at 11:30 a.m.

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

Minutes of the meeting of the Board held December 1st, were read and on motion approved.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business November 30th and the status of re-discounts between the Federal Reserve banks as of the same date,

The Governor reported rediscount transactions, member bank promissory notes secured by Government obligations, rate $5\frac{1}{2}\%$, as follows:

| <u>Date</u> | <u>Bank redis-</u> <u>counting</u> | <u>With</u> | <u>Amount</u> | <u>Maturities</u> |
|-------------|---------------------------------------|-------------|---------------|-------------------|
| December 1 | Dallas | Boston | \$500,000 | 11 to 15 days |

Letter dated December 1st, from Mr. John W. Davis, calling attention to the Board's recent suggestion that all legal cases arising from par collections should be treated in all districts as being under the supervision of the counsel of the Federal Reserve system retained in the Atlanta case, and referring especially to the case originating at Catlettsburg, Ky. against the Federal Reserve Bank of Cleveland.

The Governor was authorized to write to the Federal Reserve Agent at Cleveland, and through him to suggest that that bank request Mr. John W. Davis to take part in an advisory capacity in the Catlettsburg case referred to.

Letter November 29th, from the Director of the Division of Analysis and Research, requesting approval of the employment of Miss Louise Sherry at a salary of \$1500 per annum, to take the place made vacant by the resignation of Miss Happersberger, who has been employed at a salary of \$1560 per annum, said appointment to be effective at once.

Approved.

Upon motion, the bonds of the following Federal Reserve Agents and Assistant Federal Reserve Agents, were approved by the Board in the amounts stated:

| | | |
|------------------------------------|---|-----------|
| Wm. McC. Martin, St. Louis | - | \$100,000 |
| Clarence M. Stewart, St. Louis | - | 50,000 |
| John Perrin, San Francisco | - | 100,000 |
| Herbert L. Zimmermann, Minneapolis | - | 100,000 |

Mr. Hamlin called attention to the fact that pending the enactment of the proposed amendment to the Clayton Act, the Board had been permitting Mr. Edward K. Mills to serve as a director of both the Morristown National Bank and the Morristown Trust Company of Morristown, New Jersey, and that the question had been raised as to whether or not the Board would interpose any objection to the re-election of Mr. Mills to the two directorships at the forthcoming election at the two banks involved.

It was the sense of the meeting that the Board will interpose no objection to Mr. Mills continuing as a director in the two institutions involved, nor to his re-election to said directorships, pending the passage of legislation now before Congress, but that it should be distinctly understood that the Board reserves the right to require Mr. Mills to discontinue his interlocking relationship at any time when it should appear to the Board necessary, proper or desirable for such relationship to be discontinued.

Draft of letter addressed to the First Federal Foreign Banking Association of New York, with reference to the opening of certain acceptance credits, said draft having been prepared in accordance with a memorandum dated November 17th from General Counsel and referred to the Federal Reserve Board at its meeting of November 29th, 1921.

Approved.

Draft of letter dated November 30th, addressed to the Governor of the Federal Reserve Bank of New York, drawn in accordance with the action of the Board taken at its meeting of November 25th, 1921, and having reference to the procedure which Federal Reserve banks are authorized to use in connection with their practice of buying bankers' acceptances from dealers with repurchase agreements.

Approved, Mr. Miller and Mr. Crissinger
voting "No".

Telegram dated December 2nd, from the Chairman of the Federal Reserve Bank of Dallas, advising of the results of elections which have been held in that district for Class "A" and Class "B" Directors.

Noted.

Memorandum from the Assistant Secretary of the Board requesting approval of the appointment of James E. Tanner and F. W. Wheelhouse, telegraph operators at \$165 per month.

Approved.

Letter dated November 30th, from the Chairman of the Federal Reserve Bank of Boston reporting an apparent violation of Section 5209 of the Revised

Statutes, as amended by Section 7 of the Act of September 26, 1918, as a result of a theft committed by an employee of the Hadley Falls Trust Company of Holyoke, Mass., said theft having been divulged as the result of a joint examination of the Hadley Falls Trust Company, made by the State Bank Examiner and the examiner of the Federal Reserve Bank of Boston, and requesting advice as to whether or not, under the circumstances the Federal Reserve Board desires Mr. Curtiss to take this matter up with the United States District Attorney.

It was the sense of the meeting that it is the duty of the Federal Reserve Agent to report to the United States District Attorney the facts as stated in his letter.

Letter dated November 26th, from the Governor of the Federal Reserve Bank of Dallas setting forth his reasons for being unwilling to subscribe to that action taken by the last conference of Governors whereby Federal Reserve banks are required, whether requested to do so or not, to file claims for items which are unpaid on account of the failure of banks upon which the items were drawn and to which the items have been sent by the Federal Reserve banks for collection.

Referred to General Counsel.

Letter dated December 1st, from the Comptroller of the Currency requesting approval of a salary of \$4,000 per annum to be paid to Mr. William C. Griswold a National Bank Examiner in the Seventh Federal Reserve District.

Approved.

FEDERAL RESERVE BOARD

Letter dated December 2nd, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Kansas City, Mexico & Orient Railroad Company, for a loan of \$2,500,000, under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

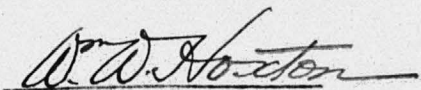
REPORTS OF COMMITTEE NO. 1:

Dated December 2nd, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary minute book as of this date.
Approved.


Dated December 2nd, Recommending certain action on applications for fiduciary powers, as set forth in the Auxiliary minute book as of this date.
Approved.

Dated December 2nd, Recommending approval of the application of Mr. Walter T. Bradley to serve at the same time as director of the National Security Bank and as director of the Northern Trust Company, both of Philadelphia, Pa.
Approved.

At 12:45 p.m. the meeting adjourned.


Secretary.

Approved:


Governor.