

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, December 14, 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 13th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business December 12th, and the status of rediscounts between the Federal reserve banks as of the same date.

The Governor stated that in view of representations made to the Board this morning by the Directors and Manager of the Detroit Branch of the Federal Reserve Bank of Chicago, the first thing in order would be the consideration of the application of the Federal Reserve Bank of Chicago to purchase in Detroit a site for a branch bank building upon which the Federal Reserve Bank of Chicago has a verbal option expiring December 31, 1921, it being understood that the proposed building will be erected upon a portion of the ground purchased and the balance of the said ground will be disposed of under existing agreements.

Upon motion, it was voted that the Board interposes no objection to the purchase of the lot in question, with the express provision that the total investment to be made by the Federal Reserve Bank of Chicago in the building for the Detroit Branch shall not exceed \$1,500,000 for site, foundation, building, vaults and all equipment.

Letter dated December 13th, from the Chairman of the Federal Reserve Bank of Richmond, submitting, subject to the approval of the Federal Reserve Board, a resolution of the Board of Directors of that Bank providing for a final payment on account of extra compensation to be paid to officers and employes as of December 31, 1921.

Approved.

Letter dated December 13th, from the Chairman of the Federal Reserve Bank of Richmond, submitting a list of proposed salary adjustments for officers and employes of the head office and the Baltimore Branch.

Referred to the Committee on Salaries and Charge Offs.

Letter dated December 13th, from the Chairman of the Federal Reserve Bank of Richmond, requesting approval of the Federal Reserve Board of a resolution passed by the Board of Directors of that Bank at its meeting December 8, 1921, providing for the payment of a dividend for the six months period ending December 31, 1921, at the rate of 6% per annum on the paid in capital stock.

Approved.

Letter dated December 6th, from the Governor of the Federal Reserve Bank of Cleveland, submitting a list showing certain proposed adjustment of salaries for the officers and employes of that Bank whose salaries are approximately \$3,000 and over, effective January 1, 1921, it being stated that the Bank has in operation the anniversary plan for adjustment of salaries of employes whose salaries are less than \$3,000, and that there will be, therefore, no general adjustments at this time.

Approved.

Mr. Mitchell, reporting for the Committee on Salaries and Charge-Offs, recommended approval of certain requests for authority to make charges against profit and loss contained in two letters of December 7th from the Chairman of the Federal Reserve Bank of San Francisco, and a letter dated December 8th, from the Chairman of the Federal Reserve Bank of Dallas, said matters having been referred to the Committee on Salaries and Charge Offs by the Board at its meeting of yesterday.

Upon motion, the report of the Committee was accepted and concurred in.

Letter dated December 9th, from the Chairman of the Federal Reserve Bank of New York, advising that the Board of Directors of that Bank had, subject to approval of the Federal Reserve Board, determined to permanently employ Mr. Francis Oakey and to drop from his title the word "Acting".

Approved, upon favorable recommendation of the Committee on Salaries and Charge Offs, said matter having been referred to the Committee by the Board at its meeting yesterday.

Governor Harding reported a telephone message received from Mr. Case, Deputy Governor of the Federal Reserve Bank of New York. Mr. Case stated that he had received advice from the Governor of the Bank of England to the effect that the Bank of England had re-established business relations with the Reichsbank of Germany, and inquiring if the Federal Reserve Bank of New York would be willing, also, to re-establish business relations. Governor Harding stated that it was Mr. Case's idea to

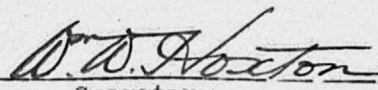
establish agency relations with the Reichsbank, receiving an account from the Reichsbank, but keeping no account with that institution and making no commitment whatever as to loans, the obligation on the part of the Federal Reserve Bank of New York being merely to carry a deposit from the Reichsbank, and to invest for that institution in bills to an amount not in excess of the said deposit.

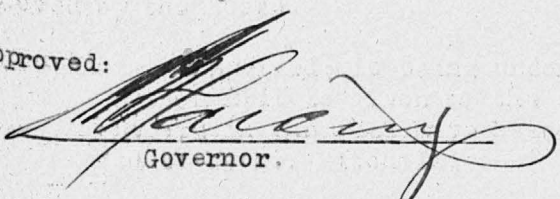
It was the sense of the Board that there is no objection to the arrangement proposed by the Federal Reserve Bank of New York, provided the said arrangement shall be favorably viewed by the Secretary of State and the Secretary of the Treasury.

REPORTS OF COMMITTEE NO. 1:

Dated December 13th, Recommending changes in stock at Federal reserve banks, as set forth in the auxiliary minute book as of this date.
 Approved.

At 12:15 p.m. the meeting adjourned.


 Secretary.

Approved: 
 Governor.