

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, December 21, 1921, at 11:05 a.m.

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

The minutes of the meeting of the Board held December 20th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business December 19th, and the status of rediscounts between the Federal reserve banks as of the same date.

Letter dated December 16th, from the Chairman of the Federal Reserve Bank of New York, stating that it had been the policy of the Board of Directors of the Federal Reserve Bank of New York to periodically change the personnel of the directorate of the Buffalo Branch, and suggesting that the Federal Reserve Board, with reference to the directors appointed by that body, take into consideration the policy of the Bank in this matter and make changes from time to time in the directors appointed by the Federal Reserve Board. Mr. Jay stated that the Board of Directors of the Federal Reserve Bank of New York recommended that the Board reappoint Mr. E. J. Barcalo as a director in the Buffalo Branch, and appoint Mr. John A. Kloefer and Fred J. Coe in lieu of Messrs. Hubbell and Bartlett, the present incumbents.

Upon motion, the action of the Board taken Dec. 16th, appointing Messrs. Hubbell and Bartlett as directors in the Buffalo Branch, was reconsidered, and it was voted to designate Messrs. Kloefer and Coe in lieu of Messrs. Hubbell and Bartlett.

Letter dated December 16th, from the Federal Reserve Agent at Atlanta, enclosing copy of letter received from the Chairman of the New Orleans Branch, with reference to an adjustment of salary for Mr. W. S. Johns, Assistant Federal Reserve Agent at New Orleans.

Referred to the Committee on Salaries and Charge Offs.

Letter dated December 19th, from the Chairman of the Federal Reserve Bank of Atlanta, submitting for the approval of the Board certain minor changes in the pay-roll at the head office of that Bank.

Approved.

Mr. Mitchell, reporting for the Committee on Salaries and Charge-Offs, with reference to the letter of December 16th from the Chairman of the Federal Reserve Bank of St. Louis, referred yesterday to that Committee, recommended that the Board approve the payment of extra compensation to the employes of that Bank as follows:

On salaries up to \$1500	10%
" " " " 3000	8%
" " " " 5000	6%

it being understood that no extra compensation will be paid to those employes whose salaries are over \$5000 per annum.

Approved.

The Secretary was instructed to wire this approval to the Federal Reserve Bank of St. Louis, and to advise that the Board suggests that there be no upward revision in officers' salaries at present, but, without committing itself, will consider any schedule which may be submitted for employes.

Letter dated December 19th, from the Chairman of the Federal Reserve Bank of Atlanta, requesting authority to set aside a reserve of \$50,000, in addition to the reserve of \$200,000 authorized to be set aside last June for possible losses, including possible losses in connection with the purchase of Liberty Bonds with repurchase agreements.

Approved.

The Governor submitted to the Board a memorandum from the Chief of the Division of Examination, analysing the report of examination of the Federal Reserve Bank of Atlanta as of October 29, 1921.

Noted.

Letter dated December 19th, from the Governor of the Federal Reserve Bank of Atlanta, with respect to Mr. John W. Davis's request for a retainer of \$10,000 in connection with the par clearance case instituted against the Federal Reserve Bank of Atlanta.

Referred to the Governor, with request that he secure from Mr. Davis, for the benefit of the Federal Reserve Board, an approximate idea of the ultimate cost to the Federal Reserve System which will accrue on account of Mr. Davis's connection with the several par clearance cases.

Letter dated December 20th, from Mr. Kenzel, Deputy Governor of the Federal Reserve Bank of New York, requesting authority to put into operation the collateral plan which that Bank proposes in connection with the purchase of bankers' acceptances from dealers with repurchase agreements.

Upon motion, the Governor was requested to advise the Federal Reserve Bank of New York that the Board has no objection to the putting of the proposed plan into effect.

Letter dated December 20th, from the Governor of the Federal Reserve Bank of Richmond, enclosing certain correspondence between Governor Seay and Mr. McLean, a director of the War Finance Corporation.

Noted. Referred to the Governor for reply.

The Governor advised the Board that Mr. Eugene Meyer, Managing Director of the War Finance Corporation, had requested that the Federal Reserve Bank of Chicago be required to establish a fiscal agency at Des Moines, Iowa, for the purpose of the more expeditious handling of the War Finance Corporation business.

No action.

The Governor advised the Board that he had received notice from the Chairman of the Federal Advisory Council that the Council would hold its first statutory meeting of the year 1922 on January 12th.

Letter dated December 19th, from the Chairman of the Federal Reserve Bank of Chicago, with reference to certain interlocking directorates in the city of Indianapolis.

Noted.

Letter dated December 19th, from the Federal Reserve Agent at Chicago, enclosing a copy of a report made by him to the Salary Committee of the Federal Reserve Bank of Chicago, covering certain adjustments in the salaries of the employes of the Federal Reserve Agents Department which he proposes to present to the Federal Reserve Board for its approval.

Noted.

Letter dated December 17th, from the Governor of the Federal Reserve Bank of Chicago, submitting for the approval of the Federal Reserve Board a certain plan covering the shipments and settlements of shipments of Federal Reserve Notes, said plan having been prepared by Governor McDougal in accordance with the action of the last Governors' Conference, by which action Governor McDougal was appointed as a committee of one to prepare and submit a plan for the approval of the Federal Reserve Board.

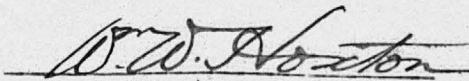
Upon motion, it was voted that the Board agree to the plan as submitted by Governor McDougal, and the Secretary was instructed to take the necessary steps to put the plans into operation.

REPORTS OF COMMITTEE NO. 1:

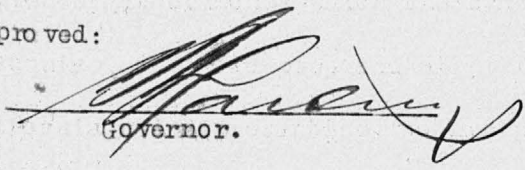
Dated December 21st, Recommending changes in stock at Federal Reserve banks as set forth in the auxiliary minute book as of this date.

Approved.

At 12:40 p.m. the meeting adjourned.


Secretary.

Approved:


Governor.