

Pursuant to the terms of adjournment the Board reassembled, upon call of the Governor at 4:15 P.M., December 22nd, the same members being present as were present at the morning session.

Letter dated December 22nd, from the Comptroller of the Currency recommending approval by the Board of an increase in the salary of National Bank Examiner Lewis M. Sawyer, Jr., from \$3,600 to \$4,200 per annum.

Approved.

Letter dated December 21st, from the Under Secretary of the Treasury, suggesting that the time is opportune to reduce from 4% to 3% the rate of interest upon special temporary United States Certificates issued by the Treasury Department to the Federal Reserve Banks in amounts equal to periodical overdrafts in the accounts of the Treasurer of the United States.

Upon motion, the Governor was requested to advise the the Federal Reserve Banks that hereafter, until further notice, the Treasury Department will pay interest at the rate of 3% per annum upon the special United States Certificates of Indebtedness referred to.

Letter dated December 21st from the Under Secretary of the Treasury transmitting for the confidential information of the Board a copy of a cable from the United States Observer in attendance upon the conferences of the Reparations Commission advising of the action of said Commission with reference to payments of reparation in the currencies of certain European countries.

Noted.

Mr. Mitchell, reporting for the Committee upon Salaries and Charge Offs, submitted the following letters which had previously been referred to that Committee, the action in each case being a concurrence on the part of the

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Board in the recommendation made by the Committee.

Letters dated December 19th and 20th from the Federal Reserve Agent at Chicago recommending approval of the following salary increases affecting employes of the Federal Reserve Agent's Department:

William E. White	-	\$9,000	to	\$12,000
M. A. Wilson	-	5,000	to	7,000
E. L. Harris	-	6,000	to	7,000
F. M. Huston	-	5,500	to	6,000
C. F. Riddell	-	5,000	to	5,200
B. P. Greene	-	4,000	to	4,300
C. S. Young	-	3,300	to	4,000
C. G. Rutledge	-	3,600	to	3,750
A. G. Brown	-	3,300	to	3,500

Approved, with the exception that the proposed increase in the salary of F. M. Huston was disallowed.

Letter dated December 19th from the Federal Reserve Agent at Minneapolis requesting confirmation of the following reappointments for the year 1922:

C. L. Mosher	-	Asst. Federal Reserve Agent
J. F. Ebersole	-	" " " "
H. L. Zimmerman	-	" " " "
Harry Yaeger	-	Field Representative
F. M. Bailey	-	Manager, Examination Department

Approved.

Letter dated December 21st, from Mr. Case, Deputy Governor of the Federal Reserve Bank of New York requesting approval of the action of the Board of Directors of that Bank in voting to pay an additional compensation covering the second half of 1921 to all officers and employes of the Bank and the Buffalo Branch whose annual salaries do not exceed \$5,000, based on the salary received during the last six months at the following rates based on annual salaries:

7%	on the first \$1500 or part thereof
5%	on the next 500 " " "
3%	on the next 500 " " "

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No additional percentage to be paid on amounts between \$2,501 and \$5,000.

Approved. Mr. Crissinger stated that he wished to be recorded as being strongly in favor of immediately advising all Federal Reserve Banks that after the year 1921, the Board will not approve the payment of any bonus or of extra compensation in any form.

Letter dated December 14th, from the Federal Reserve Agent at Atlanta, submitting recommendations for increases in salaries of officers and employes of the Federal Reserve Agent's Department as follows:

Increase for Ward Albertson	of	\$500.00	per annum		
"	"	C. R. Tidwell	"	300.00	" "
"	"	W. S. Johns	"	500.00	" "
"	"	J. W. Honour	"	300.00	" "
"	"	J. E. McGuire	"	300.00	" "
"	"	D. E. Moncrief, Jr.	of	300.00	" "
"	"	Mildred Farmer	of	60.00	" "

Upon motion, the above recommendations were disallowed, except the Board approved the increase of \$500 in the annual salary of W. S. Johns, Assistant Federal Reserve Agent and Auditor at the New Orleans Branch, and also approved the increase of \$60 in the annual salary of Mildred Farmer, a stenographer in the force of the Federal Reserve Agent.

Letter, dated December 13th, from the Chairman of the Federal Reserve Bank of Atlanta, advising that the Board of Directors of that Bank had on December 10th voted to reelect for the year 1922 the present officers of the parent bank and branches and, subject to the approval of the Federal Reserve Board, had provided for the following increases in annual salaries:

HEAD OFFICE

J. L. Campbell, Deputy Governor,	increase from	\$7500	to	\$8500
Creed Taylor, General Auditor	"	"	6000	to 6500
W. B. Roper, Assistant Cashier	"	"	5000	to 5500

NEW ORLEANS BRANCH

Marcus Walker, Manager,	increase from \$11,000 to \$12,000
W. H. Black, Assistant Manager,	" " 5,000 to 5,500
James A. Walker, Cashier,	" " 4,500 to 5,000

JACKSONVILLE BRANCH

W. S. McLarin, Jr., Cashier,	increase from \$ 2,400 to \$ 3,000
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NASHVILLE BRANCH

J. B. Fort, Jr., Cashier,	increase from \$ 3,200 to \$3,500
J. B. McNamara, Manager	increase from \$5,200 to \$5,600.

Upon motion, it was voted to approve the increase of \$1,000 in the annual salary of Marcus Walker, Manager of the New Orleans Branch, but that all other salaries recommended for increases as above shall remain as at present for further consideration when the Board shall be in possession of all details covering the reasons which prompted the Board of Directors of the Federal Reserve Bank of Atlanta to vote the increases specified.

Letter dated December 21st, from the Chairman of the Federal Reserve Bank of Philadelphia, transmitting a resolution of the Board of Directors of that Bank passed subject to the approval of the Federal Reserve Board and providing the following charges to be made as of December 31st, 1921:

To Current Net Earnings	
2% of \$500,000 Bank premises -	\$10,000
To Current Net Earnings	
Vault construction	- 129,000
To Super-Surplus	
Permanent alterations	
and improvements	- 6,000

Upon motion, the Board approved the charge of \$10,000 to Current Net Earnings and the charge of \$6,000 to Super-Surplus, but of the proposed \$129,000 charge to Current Net Earnings, the Board voted that only \$29,000 shall be charged against Current Net Earnings, and that the balance, \$100,000, if charged off at all, shall be charged against Super-Surplus and not against Current Net Earnings.

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Letter dated December 21st, from the Governor of the Federal Reserve Bank of Cleveland, transmitting advice of the action of the Board of Directors of that Bank, taken subject to the approval of the Federal Reserve Board, and providing for certain charge offs to be made by that Bank at the close of the present year.

Upon motion, the Board voted to authorize the Federal Reserve Bank of Cleveland to charge against current net earnings at the close of the present year, the following:

- 2% upon the amount which has been already expended upon the new bank building in Cleveland.
- \$22,698.98 on account of the building of the Pittsburgh Branch.
- \$50,000.00 on account of the Self-Insurance Fund.

In addition to the above, the Bank was authorized to set up out of Current Net Earnings at the close of the present year, a reserve of \$100,000 to provide for undetermined liabilities and losses.

Letter dated December 21st, from the Governor of the Federal Reserve Bank of Richmond giving figures representing the various amounts which that Bank proposes to charge off at the end of the present year, with detailed schedules exhibiting the manner in which the amounts were determined.

Upon motion, it was voted that the Board has no objection to the Federal Reserve Bank of Richmond charging off against Super-Surplus any amount it desires, within the limit of the Super-Surplus, but that the Bank be authorized to charge against Current Net Earnings, only the following amounts:

- A sum equal to 2% of the total cost of the Bank building at Richmond.
- \$5,192.00 on account of property of the Baltimore Branch.
- \$50,000.00 on account of Self-Insurance Fund.

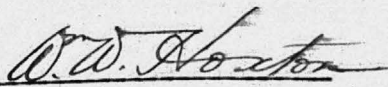
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The Bank was also authorized to set up a reserve of \$100,000 to cover possible and undetermined losses.

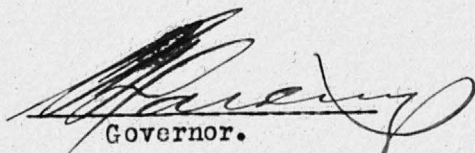
Memorandum dated December 22nd, from General Counsel with reference to the practice of the Federal Reserve Banks of New York and Cleveland in the matter of the application of the income received from securities acquired through the investment of the Self-Insurance Funds.

Referred to the Governor with the understanding that copies of Mr. Logan's memorandum will be sent to the Federal Reserve Banks of New York and Cleveland.

The meeting adjourned at 6:10 P.M.

  
Secretary.

Approved:

  
Governor.