

A meeting of the Federal Reserve Board was held in the office of the Board on Friday, January 11, 1922, at 11:05 a.m.

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

Minutes of the two meetings of the Board held January 9th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business January 7th and 8th.

Telegram dated January 10th, from the Chairman of the Federal Reserve Bank of Minneapolis, advising that the Board of Directors of that Bank had, subject to the review and determination of the Federal Reserve Board, fixed a discount rate of 5% for all classes of paper of all maturities, effective January 11, 1922.

Formally approved, having been approved yesterday by the initials of members of the Board.

The Governor submitted draft of letter prepared by Counsel and addressed to the Chairman of the Federal Reserve Bank of Kansas City, with reference to the eligibility for discount of the paper of a certain agricultural borrower whose financial statement was forwarded to the Board by Mr. Ramsay and whose note was rejected as ineligible by the Governor of the Federal Reserve Bank of Kansas City.

Approved: The Governor was requested to transmit the letter submitted after strengthening its phraseology.

The Governor submitted a letter written by him to the Chairman of the Senate Committee on Banking and Currency, in reply to Senator McLean's request for the opinion of the Board upon certain amendments to the Federal Reserve Act offered in the Senate by Senator Harris of Georgia.

Approved.

Letter dated January 10th, from the Consulting Architect, suggesting a rearrangement in the manner of compensating his Assistant, Mr. Ten Eyck, as between the Federal Reserve Board and the Federal Reserve Bank of New York, under which rearrangement that portion of Mr. Ten Eyck's salary now paid by the Board will be reduced from \$4,000 to \$2500 per annum.

Referred to the Governor with power.

Memorandum dated January 10th, from the Assistant Counsel, submitting draft of letter for the signature of the Governor, addressed to Mr. Sargent, Assistant Federal Reserve Agent at San Francisco, in answer to an inquiry if the establishment of a trust department and the exercise of fiduciary powers by a State Member Bank constitutes such a broadening of the functions of such bank as described in the Board's general condition of membership as to require Board's approval of such action.

Approved.

Letter dated January 7th, from the Chairman of the Federal Reserve Bank of Dallas, advising that the Board of Directors of that Bank had elected Mr. B. A. McKinney Governor and Mr. R. G. Emerson Deputy Governor,

and, subject to the approval of the Board, had fixed their salaries at \$18,000 and \$12,000 per annum respectively.

Mr. Mitchell moved that the salaries of \$18,000 and \$12,000 for the Governor and Deputy Governor of the Federal Reserve Bank of Dallas be approved.

Mr. Hamlin moved to amend and that the Board approve \$16,000 for the Governor and \$12,000 for the Deputy Governor, with advice to the Board of Directors of the Federal Reserve Bank of Dallas that the Federal Reserve Board will feel disposed to reconsider the salary of Governor McKinney when that officer has demonstrated his ability to administer the affairs of the Federal Reserve Bank of Dallas in an economical and efficient manner.

Mr. Miller moved to amend and that the Board approve a salary of \$15,000 for Governor McKinney and a salary of \$11,000 for Deputy Governor Emerson, with advice to the Board of Directors of the Federal Reserve Bank of Dallas that the Federal Reserve Board will feel disposed to reconsider the salaries of both officers when they have demonstrated their ability to administer the affairs of the Bank in an economical and efficient manner

Mr. Miller's amendment was put by the Chair and lost.

Mr. Hamlin's amendment having been accepted by Mr. Mitchell, was put by the Chair and carried.

The Governor submitted a letter from the Assistant Federal Reserve Agent at Cleveland, advising that, subject to the approval of the Board, the Directors of that Bank had authorized the expenditure of \$3500 during 1922 for educational advantages accruing to the employes of the Bank through the American Institute of Banking, and explaining that additional appropriations may be requested in behalf of the employes of the Pittsburgh and Cincinnati Branches.

Mr. Miller moved that the Board approve an expenditure of \$5,000 during 1922 to cover all educational work undertaken by the Federal Reserve Bank of Cleveland in behalf of the employes of the Head Office and the branches.

Carried.

At 1:15 p.m. a recess was taken until 2:30 p.m.

Pursuant to the terms of adjournment, the Board reassembled at 2:30 p.m., the same members being present who were present at the morning session.

Letter dated January 4th, from the Chairman of the Federal Reserve Bank of San Francisco, stating at length under what conditions and circumstances he would be willing to recommend that the Federal Reserve Board approve the application of the Bank of Italy, San Francisco, to organize eight new branches composed of banks comprising what is known as the Bakersfield and Ridout Groups. After full discussion, Ex-Senator Sutherland, of the firm of counsel for the Bank of Italy, was invited to enter the meeting and requested to explain the probable attitude of the Bank of Italy upon the conditions suggested by Mr. Perrin. Mr. Sutherland entered the meeting at 3:55 and withdrew at 4:35. Further discussion ensued but no action was taken.

The Governor stated that the Board had taken no action in regard to the request of the Federal Reserve Bank of Atlanta that an assessment be made upon all the Federal reserve banks, in order to pay a retainer of \$10,000 to Mr. John W. Davis in the par collection case instituted against the Federal Reserve Bank of Atlanta. Governor Harding, in connection with this matter, referred to a recent letter from Mr. Davis.

Upon motion, the payment of the \$10,000 retainer was authorized and the Governor was requested to advise all Federal reserve banks of the amount of said retainer, to be paid by each bank on the basis of a pro rata assessment.

The Committee on Salaries and Charge Offs reported with reference to an adjustment of salaries for certain of the staff of the Board, and recommended the following:

For Mr. Eddy, Assistant Secretary, an increase from \$6,000 to \$6,500 per annum.

For Mr. Smead, Chief of the Division of Reports and Statistics, an increase from \$5400 to \$6000 per annum.

For Mr. Goldenweiser, Associate Statistician, an increase from \$4800 to \$5400 per annum.

Approved.

Governor Harding advised the Board that he had increased the salary of his Secretary, Mr. McClelland, from \$2500 to \$2600 per annum, in accordance with the schedule of adjustments for the Secretaries of Board members previously agreed upon.

The Committee upon Salaries and Charge Offs submitted a letter from the Chairman of the Federal Reserve Bank of Boston, advising of certain adjustments in salaries of officers and employes authorized by the Board of Directors of that Bank, subject to the approval of the Federal Reserve Board.

Approved as to employes. Mr. Crissinger moved that the Board disapprove the recommendations as to the salaries of officers. Mr. Crissinger's motion carries, Mr. Platt voting "no", explaining that he was unwilling to vote disapproval of salary recommendations in a wholesale manner.

The Committee on Salaries and Charge Offs submitted with favorable recommendation a letter of December 31, 1921, from the Chairman of the Federal Reserve Bank of St. Louis, requesting the approval of the Board for certain adjustments authorized by the Board of Directors of that Bank

in the salaries of the clerical force of the Head Office and the Branches, including increases for certain officers at Louisville and Little Rock.

Approved.

The Committee on Salaries and Charge Offs submitted a letter of December 29, 1921, from the Chairman of the Federal Reserve Bank of New York, transmitting for the approval of the Federal Reserve Board recommendations as to salary adjustments for certain officers of the Head Office and the Buffalo Branch.

Upon motion, the increase in the salary of the Manager of the Buffalo Branch from \$7500 to \$9000 was approved. Upon motion, all other recommendations for increases specified in Mr. Jay's letter were disapproved, Mr. Platt dissenting. Mr. Platt again expressed his unwillingness to dispose of salary matters in such a wholesale way.

The Committee on Salaries and Charge Offs submitted a letter of January 5th, from the Chairman of the Federal Reserve Bank of New York, stating that Mr. Hopf, Organization Counsel, had resigned, effective December 31, 1921, but that the Bank desired to retain the services of Mr. Hopf temporarily for a part of his time upon a fee basis, proposing to pay him a fee for such period as his services may be required at the rate of \$9,000 per annum.

Upon motion, it was voted to disapprove, Mr. Platt and Mr. Hamlin voting "no".

Memorandum dated January 11th, from the Assistant Secretary, advising of the resignation of Miss Pauline McLinden, a clerk in the Division of Reports and Statistics, employed at a salary of \$2400 per annum.

Accepted.

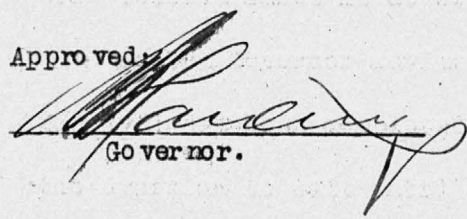
REPORTS OF COMMITTEE NO. 1:

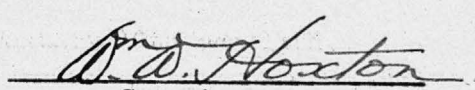
Dated January 9th, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

At 4:25 p.m. the meeting adjourned.

Approved:


Governor.


Secretary.