

At a meeting of the Federal Reserve Board held in the office of the Board at 3.00 p. m. on Wednesday, December 30

## PRESENT:

|              |             |
|--------------|-------------|
| Mr. Hamlin   | Mr. Warburg |
| Mr. Delano   | Mr. Harding |
| Mr. Williams | Mr. Miller  |

The Governor of the Board presided and Mr. H. P. Willis acted as secretary to the meeting.

The reading of the minutes of the preceding meeting was dispensed with.

On motion, the application of the Federal Reserve Bank of Chicago for change in rates of rediscount was approved as follows:

For maturities up to 30 days  $4\frac{1}{2}\%$ ; for maturities 30 to 60 days  $5\%$ ; for maturities 60 to 90 days  $5\frac{1}{2}\%$ ; for maturities over 90 days  $6\%$ .

A letter from Federal Reserve Agent Tenison relating to the extent to which member banks may act as agents for State banks in obtaining discounts for the latter, was referred to the Governor and Secretary as a special committee to shape a suitable letter for submission to the Board.

A communication from the Secretary of the National Boot and Shoe Manufacturers Association was ordered answered in general terms.

In reply to a communication from Federal Reserve Agent Miller at Kansas City, it was voted that the Secretary respond with the suggestion that the holding of meetings of Boards of Directors should be a matter for local determination.

The suggestion made in a letter from Governor McDougal that members of the Advisory Council be paid on the same basis as directors met with approval but it was directed that the Secretary quote the law to Mr. McDougal, indicating that the initiation of the fees was discretionary with the respective banks.

A memorandum from the Counsel of the Board on gifts and fees to bank employees was read. On motion, the Board reaffirmed its past position on this subject.

The minutes of the meeting of sub-Committee B of Standing Committee #3 as of Tuesday, December 29th, were read and approved.

On motion, it was voted to refer the question of the form of endorsement to be placed on paper by reserve banks which are applying for reserve notes to Mr. Harding and Mr. Delano for report.

A memorandum from Counsel transmitting draft of a bill prepared by him relating to the amendment of Sections 5208 and 5209, was ordered tabled for the time being.

A recommendation from the Counsel of the Board with reference to the conditions under which liquidating banks may withdraw the value of their stock in Federal Reserve banks was accepted, subject to the understanding that in no event should any bank receive more than the book value of the stock.

A reply from Governor Strong to the telegram sent at the direction of the Board, asking for the opinion of the Governors of Reserve banks on matters now pending, was called to the attention of the Board.

A second letter from Governor Strong with reference to certain problems arising out of documentary drafts in the South American trade was referred back to Mr. Strong for further details.

Applications of National banks for additional stock in their respective banks were approved, as follows:

|                     |                 |
|---------------------|-----------------|
| First National Bank | Scottdale, Pa.  |
| Union National Bank | Pittsburgh, Pa. |
| Third National Bank | Columbus, Ga.   |
| Spur National Bank  | Spur, Texas     |
| State National Bank | Garland, Texas  |
| First National Bank | Cameron, Texas  |

On motion it was ordered that the Counsel be asked to state whether a quarterly approval of such applications would

be feasible.

A proposed reduction of capital stock of the First National Bank of Madisonville, Texas, from \$50,000 to \$25,000 was approved.

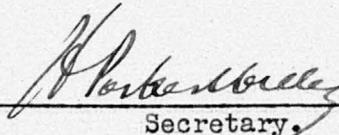
Mr. Delano presented a draft of the tentative clearing plan which had been developed in preliminary form by himself and Mr. Harding. After consideration the plan was referred back for further investigation.

It was suggested by Mr. Miller that the Secretary working in accord with the members of the Board, prepare a revised form of report to Congress which should be less routine in character than the ordinary form of report. This suggestion was accepted by the members of the Board present.

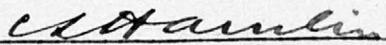
Mr. Miller submitted forms to be used in making application for Federal Reserve notes, which were approved by the Board and ordered to be printed.

It was voted that when the Board adjourned such adjournment be to meet at 11.00 a. m. Monday, January 4, 1915.

At 5.05 p. m. an adjournment was taken.

  
Secretary.

APPROVED:

  
Chairman.