

At a regular meeting of the Federal Reserve Board held in the office of the Governor at 11:45 A. M. on Tuesday, December 5, 1916,

PRESENT: Governor Harding, presiding, Mr. Hamlin, Mr. Warburg, Mr. Miller, Mr. Delano, Mr. Williams, Mr. Willis, Secretary.

On motion the reading of the minutes was dispensed with.

Mr. Harding presented a letter from Federal Reserve Agent Wellborn relative to the acceptances of certain banks and trust companies of New Orleans. The contents were noted and the letter ordered passed to file.

The Governor of the Board presented a letter from Federal Reserve Agent Curtiss relative to the investment of banks in foreign securities in District No. 1. The letter was noted and ordered passed to file.

The Secretary of the Board read a letter from the Comptroller of the Currency with reference to the placing of an order for 8,000 earning and dividend forms. The Secretary was directed to place the order and advise the

Comptroller accordingly.

Mr. Hamlin stated that divergence of opinion

existed between the Board's consulting counsel and

Counsel of the National Shawmut Bank of Boston relative

to the pending suit as to trustee powers. The matter

was referred to the Law Committee with power to act.

On recommendation of the Division of Audit and

Examination it was, on motion, voted to accept the

examinations made by the State Banking Department of

Louisiana with reference to the Bank of Iota, Louisiana,

recently admitted to the Federal Reserve system.

A letter from Mr. J. F. Curtis of New York, en-

closing copy of a letter from the Equitable Trust Company

relative to the acceptance of certain finance bills, was

read, and on motion, referred to the Committee on Invest-

ments.

A letter from Honorable I. L. Lenroot, relative

to the transfer of banks in Taylor County, Wisconsin, to

the Chicago District, was on motion referred to Mr. Harding,

Mr. Hamlin, and Mr. Williams as a special committee.

A letter from Chief of Division Broderick, relative

to the examination of the Mercantile Trust Company of St.

Louis, and the status of acceptances against cotton in that city, was on motion referred to the Committee on Operation of the St. Louis Bank.

The case of the Marine National Bank of Buffalo, an applicant for fiduciary powers, was presented to the Board and on motion laid on the table.

The application of the Safety Fund National Bank of Fitchburg, Massachusetts, for fiduciary powers, duly recommended by the Committee on Member and State Banks, was presented to the Board and on motion, approved.

An opinion of Counsel with reference to the purchase of warrants of certain municipalities in Massachusetts, was presented and on motion, approved, and ordered referred to the Committee on Bulletin with a view to publication.

On motion the printing of notes of certain denominations for the Federal Reserve Bank of Kansas City, amounting in all to \$25,000,000 and previously authorized by the Board, was ordered altered according to the following schedule:

Fives,	\$10,000,000.
Tens,	7,960,000.
Twenties,	7,040,000.

On motion the application of the Roxbury National Bank of Boston for stock in the Federal Reserve Bank of Boston

amounting to 144 shares, was approved.

Reports of committees with respect to the appointment of Class C directors for three year terms beginning January 1, 1917, were read and laid on the table as follows:

James A. Moncure, Richmond, Deputy Federal Reserve Agent.
W. H. Kettig, Atlanta.
L. H. Treadway, Cleveland, Deputy Federal Reserve Agent.
Pierre Jay, New York, Federal Reserve Agent.
T. C. Tupper, St. Louis, Deputy Federal Reserve Agent.
H. C. Wooten, Dallas.

The minutes of a meeting of the Committee on Clayton Act on November 28th were read and, on motion, approved, and the action therein set forth ratified.

A letter from Mr. J. F. Curtis of New York, transmitting a programme for the approaching conference of Governors of Federal Reserve Banks, was presented to the Board. Discussion ensued with reference to the proper scope to be assigned to the meeting of the Governors. On motion, the letter and programme were referred to the Executive Committee with instructions to report back to the Board a form of letter to be sent to Mr. Curtis commenting upon the programme, and suggesting such changes therein as appeared to be desirable.

Mr. Delano, on behalf of the Committee on Staff, presented a resolution providing for an assessment for the

Board's expenses for the six months beginning January 1, 1917. On motion, the resolution was adopted and the assessment ordered as follows:

WHEREAS, under Section 10 of the Act approved December 23, 1913, and known as the Federal Reserve Act, the Federal Reserve Board is empowered to levy semiannually upon the Federal Reserve Banks in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses, including the salaries of its members, assistants, attorneys, experts, and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year; and

WHEREAS, it appears from estimates submitted and considered that it is necessary that a fund equal to one-tenth of one percent (.001) of the capital stock of the Federal Reserve Banks be created for the purposes hereinbefore described, exclusive of the cost of engraving and printing Federal Reserve notes;

NOW, THEREFORE, BE IT RESOLVED, That pursuant to the authority vested in it by law, the Federal Reserve Board hereby levies an assessment upon the several Federal Reserve Banks of an amount equal to one-tenth of one per cent (.001) of the total capital stock of such banks, and the fiscal agent of the Board is hereby authorized to collect from said banks such assessment and execute, in the name of this Board, a receipt for payment made. Such assessment will be collected in two installments of one-half each; the first installment to be paid on January 1, 1917, and the second half on March 1, 1917.

A report of the Committee on Law with reference to opinions of Counsel relating to 15-day promissory notes, the acceptances of Smith and Etheridge, and the right of

Federal Reserve banks to receive deposits from non-member banks, was laid before the Board, and on motion, approved, and ordered passed to file.

Mr. Delano as a special committee on bonding, presented a report recommending that the bonds of \$250,000 for each Federal Reserve agent be reapproved. The same was received, and on motion, ordered passed to file.

Mr. Harding presented a letter from Director Scott of Dallas informing the Board of certain salary increases desired by the Dallas Bank. The letter was noted and ordered passed to file.

Mr. Harding presented a letter from Governor Van Zandt of Dallas transmitting a resolution authorizing the payment of a dividend up to April 30, 1916. The payment of the dividend was approved, but the Secretary was directed to have the figures relating to the dividend situation at the Bank checked, reporting the same to the Governor, who should then inform the Dallas Bank of the Board's decision.

A report relating to the rearrangement of the Board's quarters, was again laid before the Board and ordered passed to file.

Mr. Harding presented a letter from Federal Reserve

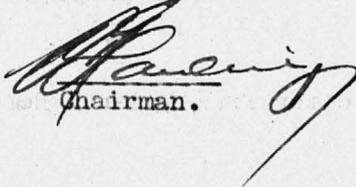
Agent Sawyer of Kansas City with reference to the payment of Christmas bonuses to employees. On motion the payment of such bonuses was approved, the same being regarded as a portion of the employees' salaries, unless some legal obstacle should be encountered after consultation with Counsel.

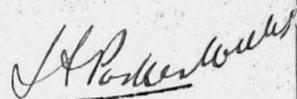
Mr. Harding presented an opinion of Counsel with reference to the powers of the Agent of the Anglo and South American Bank to accept for that institution. The Governor was authorized to write to Federal Reserve Agent Jay suggesting that the powers of the agent be made unequivocal.

The application of the Federal Reserve Bank of Philadelphia, signed by Arthur E. Post, Assistant to the Federal Reserve Agent, for the release of \$1,020,000 in Federal Reserve notes from the Subtreasury at Philadelphia, was presented and on motion approved.

On motion at 1:15 P. M. the Board adjourned to meet on Wednesday, December 6th at 11 A. M.

APPROVED:


Chairman.


Secretary.