

At a regular meeting of the Federal Reserve Board held in the office of the Governor at 12 Noon, on Wednesday, December 6, 1916,

PRESENT:

- Governor Harding, presiding, Mr. Delano,
- Mr. Warburg, Mr. Miller,
- Mr. Hamlin, and Mr. Willis, Secretary.

Minutes of the Executive Committee were read and approved, and the action therein set forth ratified as follows:-

Meetings of November 27, 28, 29, and December 1.

Minutes of the meetings of the Board were approved as follows:-

November 27, and December 4 and 5.

Minutes of the joint sessions of the Federal Reserve Board and Federal Reserve Agents held on December 4th and 5th were referred to Mr. Delano as a special committee.

The Governor of the Board presented an invitation from the American Bankers' Association to attend the meeting of its executive council to be held at Briar Cliff Lodge on May 5, 1917. It was voted that the Governor transmit an appropriate reply.

Mr. Harding reported that a checking of accounts shows that the proposed dividend at the Federal Reserve Bank of Dallas, already laid before the Board, was warranted, and it was agreed that the Dallas Bank be notified of the Board's approval.

The Secretary of the Board read a letter from Governor Fancher of the Federal Reserve Bank of Cleveland with reference to the action of the Board of Directors of that bank in reading and initialing the report of the examination of the Bank.

A letter from Secretary Curtis of New York with reference to the eligibility of bills collateraled by other bills drawn against import and export transactions, was read and referred to the Committee on Law.

A letter from Secretary Curtis of New York with reference to the dividends payable to the National Herkimer County Bank, was read and referred to the Committee on Law.

Applications for stock in Federal Reserve banks, duly recommended by the Committee on Member and State Banks, were presented and approved as follows:-

District No. 2      Shares.

Third National Bank,      Walden, N. Y.      66

District No. 9. Shares.

First National Bank, Baylor, Mont. 15

District No. 10.

Southwest National Bank, Dodge City, Kans. 36

The Secretary of the Board presented a letter written by Governor Seay of Richmond to Assistant Secretary Peters with reference to bond conversions, and also the draft of a proposed reply. The matter was referred to Mr. Delano.

An application for an issue of \$5,000,000 of Federal Reserve notes from the Federal Reserve Bank of New York, duly recommended by the Committee on Issue and Redemption, was presented to the Board, and on motion approved.

Recommendations for the conversion of \$1,620,000 of 2% bonds for the Federal Reserve Bank of Dallas and \$2,890,000 for the Federal Reserve Bank of Chicago, into 30-year bonds and Treasury notes, one half each, were presented to the Board and on motion approved.

Mr. Hamlin requested that it be recorded in the minutes that he had informally told Messrs. Bosworth and Rich that the Board hoped that the question of responsibility for dividends growing out of the transfer of certain banks

from the Minneapolis to the Chicago District, would be settled between the two banks on an equitable basis, regardless of legal technicalities.

The Secretary of the Board read a memorandum presented by the Federal Reserve Agents asking for information with reference to the views of the Board on the following points:-

1. Explain to the Conference the policy which should be pursued by the Federal Reserve banks in respect to the amount of reserve they should carry;

2. Express its position with reference to the aims and objects of the committee of the American Bankers Association appointed to obtain modifications of the present collection system;

3. Express the policy which it desires to have followed by Federal Reserve banks in issuing Federal Reserve notes for the purpose of accumulating gold.

4. Express its views as to the factors which should control boards of directors or reserve banks in establishing rates of discount.

5. Advise and discuss with the agents the amendments it intends to propose to Congress in order that they may be able to explain such amendments to bankers and others in their districts.

6. Advise whether it would not be practicable to send notice by telegraph or otherwise to the Agents in regard to unusually important announcements made by the Board through the press.

Discussion ensued, and an informal agreement was reached with reference to the statement to be made by the

by Governor of the Board at the afternoon joint session  
and with respect to the points raised.

On motion at 1:25 P. M. the Board adjourned.

*K. H. ...*  
Secretary.

APPROVED:

*M. ...*  
Chairman.