

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11 A. M. on Monday, December 18, 1916,

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

The minutes of the meetings of the Board on December 11th at 12:20 P. M., December 11th at 3:50 P. M. and December 16th, were read and on motion approved.

The minutes of the joint sessions held with the Governors of the Federal Reserve Banks, on December 11th and 14th were referred to Mr. Delano as a special committee.

A letter from Federal Reserve Agent Jay, notifying the Board of the desire of the Bank of Montclair, New Jersey, to enter the system having been read, discussion ensued, and the Secretary was on motion directed to transmit a telegram drafted by Mr. Warburg authorizing Mr. Jay to accept the reports of the Banking Commissioner of New Jersey as to this bank.

A letter from the Federal Reserve Bank of Cleveland, relative to its member of the Advisory Council having been

read, Mr. Miller presented a report of a special committee charged with the consideration of the question of membership in the Advisory Council. Mr. Hamlin moved that it is the sense of the Board that the present members of the Advisory Council might be re-elected for another year, but no action was taken. After discussion it was informally agreed that the Governor write to such banks as make inquiry in the matter that there is no objection to the retention of the present members of the Council for another year, but that an effort will be made to get the Advisory Council to work out a plan governing its own membership later on.

The question of the status of the Assistant to the Federal Reserve Agent at Richmond was referred to the Executive Committee with power to act.

Applications for power to pay Christmas bonuses at several Federal Reserve banks were referred to the Governor with power to act.

A form, presented by the Comptroller of the Currency, for the call of condition of National banks was on motion referred to the Executive Committee with power to act, it being suggested that the consolidation of cash in vault with

reserve bank balances be continued for the present.

The Secretary of the Board having presented a letter from the Federal Reserve Bank of Richmond, requesting authority to pay a 5% dividend up to the close of the current year, discussion ensued and it was agreed that the Governor inform the Richmond bank that the Board prefers that a dividend be paid at the 6% rate as far as funds in hand will permit for a shorter period.

Governor Harding gave notice that Secretary McAdoo would meet with the Board on Tuesday, December 19th and that at that meeting the election of Class C directors and the ratification of the proposed contract with the Bank of England would be considered.

Mr. Miller presented a statement as to the form of statement of condition of Federal Reserve banks. The matter was ordered circulated and was made a special order for the meeting of Tuesday, December 19th.

Mr. Warburg suggested that the proposed branch bank amendment to the Federal Reserve Act be so modified as to limit its application to states where local law permitted.

Application of the Peoples Trust & Savings Bank, Clinton, Iowa, for admission to the Federal Reserve system

was, on motion, referred to the Committee on Member
and State Banks.

On motion, at 12:00 Noon, the Board adjourned
to meet on Tuesday, December 19th at 11 A. M.

H. Parker Wells
Secretary.

APPROVED:

[Signature]
Chairman.