

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11 A. M. on Wednesday, December 20, 1916,

## PRESENT:

Mr. McAdoo, presiding,	Mr. Hamlin,
Mr. Harding,	Mr. Miller,
Mr. Warburg,	Mr. Delano,
Mr. Williams,	Mr. Willis, Secretary.

The minutes of the meetings of the Board held on December 19th, morning and afternoon, were read and on motion approved.

Certain proposed changes in the forms used by the Statistical Division were referred to the Committee on Reports and Statistics.

A letter from Mr. R. L. Austin, relative to the election of directors at Philadelphia was read and noted.

The application of the Bank of Montclair for admission to the Federal Reserve system, with accompanying documents, was on motion referred to the Committee on Member and State Banks.

The Secretary of the Board having read a telegram from the Federal Reserve Bank of San Francisco, announcing

the declaration of a dividend at 6% to March 31, 1915, was authorized to wire approving the payment.

Correspondence relating to the method to be pursued in reconciling reserve balances at member banks was presented and laid on the table.

A letter from Mr. R. C. Pruyn of Albany, relative to pension funds of National banks, was presented and on motion referred to Counsel.

The Secretary having read the form of a letter intended for use in replying to the application of the National Bank of the Republic of Chicago for power to make dollar exchange on Australia, the same was on motion referred to the Governor with power to act, it being understood that any member of the Board might ask for the papers in the case prior to the transmission of the letter.

On motion the conversion of 2% United States bonds into 3% securities was approved as follows:-

Federal Reserve Bank of Cleveland, . . . \$2,403,900.

Consideration of the action of the Committee on Clayton, taken at its meeting on December 19th having been resumed, it was after discussion voted that the action of the Committee be ratified and confirmed in so far as relates to

the approvals or disapprovals recommended by it, those names reported without recommendation being suspended. A minute was ordered entered to the effect that Mr. Williams was not present when this action was taken.

The report of the Committee on Reports and Statistics relative to revision of the weekly statement of condition was indefinitely laid on the table.

The Committee on Law presented the form of a resolution intended to authorize the contract between the Federal Reserve Bank of New York and the Bank of England, agreed upon at the meeting of December 19th for insertion in the minutes of that date, and agreement was finally arrived at with reference to the form of the resolution.

It was informally agreed that the Federal Reserve Bank of New York be notified of the Board's action, a certified copy being transmitted, and that it be further asked to state to the Board the terms of the contract it proposed to make with other Federal Reserve banks desiring to participate in the arrangement.

Amendments to the Federal Reserve Act were next taken up and action had as follows:-

The amendment providing for vesting the Board with

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power to increase member bank reserves when necessary was agreed to, it being understood that the power suggested be made applicable to any district individually at the will of the Board, and that the provision as finally framed be inserted in Section 11 (c)

It was agreed to report the amendment changing the status of reserve balances with the provision that a till money cash requirement of 5% be added thereto.

*to have*

Discussion was given to the proposed amendment for the retirement of United States notes and it was informally agreed that the Board should express its views on the subject in its annual report but probably without putting the amendment into formal shape. The Secretary of the Treasury undertook to give the subject further attention.

On motion at 12:57 P. M. the Board adjourned.

*J. P. Parker*  
Secretary.

APPROVED:

*[Signature]*  
Chairman.