

At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, December 5, at eleven A. M.,

PRESENT:

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

The minutes of the meeting of the Board held on December 3, were read and, on motion, approved.

Certain errors in press reports regarding the appointment of Mr. F. I. Kent having been called to the attention of the Board, it was, on motion, voted that the Governor be authorized to do whatever is possible to secure a correct publication of the matter by the newspapers.

A copy of the revised discount rate sheet, embodying all changes and recommendations made by the Board in the recent past, was presented and, on motion, the rates therein named were approved and ordered printed in the forthcoming issue of the Bulletin.

A proposed form of trade acceptance submitted by Mr. Lewis E. Pierson of New York, together with an opinion of Counsel regarding the same, were submitted and,

on motion, referred to Committee No. 2.

Letters and correspondence were thereupon submitted and acted upon as follows:

From Mr. J. J. O'Brien regarding notes given for the purpose of house construction; presented and ordered filed.

From Governor Seay of Richmond, relative to the present cost of preparing Federal Reserve notes; presented and discussed, and the Governor requested to hand the correspondence in the matter to Assistant Secretary of the Treasury J. H. Moyle.

From Mr. J. H. Smith relative to war conservation of capital; presented and ordered filed.

From Mr. L. B. Franklin asking for the use of the Assembly Room on December 19 for a meeting of Liberty Loan committees; read and the Secretary authorized to inform Mr. Franklin that he may have the use of the room as requested.

From Governor Rhoads relative to a new building for the Bank at Philadelphia; read and noted.

From Federal Reserve Agent Hardy relative to the eligibility of public service corporation paper; read and the Governor's reply to the same approved.

From Assistant Secretary of the Treasury
Leffingwell transmitting papers regarding the State
taxation of national banks, read and referred to
Committee No. 3.

Governor Harding having stated that the
question of the stamp tax as applied to trade ac-
ceptances had been under discussion between Com-
missioner of Internal Revenue Roper and Mr. Harrison,
discussion ensued, and it was, on motion, voted that
it is the sense of the Board that Mr. Roper be in-
formed that the Board would be pleased to have him
ask for the exemption of trade acceptances from the
stamp tax, unless such action, coupled with the re-
quest for the exemption of member bank notes from
taxation, would prejudice the chances of the latter
proposal.

Committee reports were presented and acted
upon as follows:

From Committee No. 1 recommending the tem-
porary employment of Mr. H. L. Heacock at \$125 per
month, effective today; approved.

Outlining the proposed policy to be pursued
in charging off depreciation on furniture, fixtures,

etc., prior to declaring dividends at Federal Reserve banks; approved and the report referred to the Executive Committee to draft and transmit a letter to all Federal Reserve banks accordingly.

From Committee No. 2 recommending the grant of acceptance powers up to 100% of capital and surplus in favor of the First National Bank of Richmond; approved and the Secretary ordered to inform the applicant accordingly.

Recommending the admission of the following named banks to the Federal Reserve system upon conditions specified in each case; approved and the banks admitted:

Romeo Savings Bank, Romeo, Michigan, for 48 shares in the Federal Reserve Bank of Chicago.

Highland Park State Bank, Highland Park, Mich., for 840 shares in the Federal Reserve Bank of Chicago.

Niles City Bank, Niles, Michigan, for 72 shares in the Federal Reserve Bank of Chicago.

The Dime Savings Bank, Detroit, Michigan, for 1200 shares in the Federal Reserve Bank of Chicago.

Joliet Trust and Savings Bank, Joliet, Ill., for 75 shares in the Federal Reserve Bank of Chicago.

Trust Company of Georgia, Atlanta, Georgia, for 1200 shares in the Federal Reserve Bank of Atlanta.

Charles River Trust Company, Cambridge, Mass., for 250 shares in the Federal Reserve Bank of Chicago.

First State Bank of Detroit, Detroit, Mich., for
390 shares in the Federal Reserve Bank of Chicago.

Detroit Savings Bank, Detroit, Mich., for
900 shares in the Federal Reserve Bank of Chicago.

The Rochester Savings Bank, Rochester, Mich., for
36 shares in the Federal Reserve Bank of Chicago.

St. Anthony Falls Bank, Minneapolis, Minn., for
216 shares in the Federal Reserve Bank of Minneapolis.

From Committee No. 2 recommending that the ap-
plication of Mr. E. T. Coman under the Clayton Act and the
Kern Amendment thereto, be approved; granted.

From the Committee on Operation of the Federal Re-
serve Bank of St. Louis commenting upon the Chief Examiner's
report concerning the condition of the St. Louis bank;
read and noted.

Governor Harding presented business which was acted
upon as follows:

A statement that the United States Treasurer has
about \$10,000,000 gold available for deposit with Federal
Reserve banks. After discussion it was agreed that Assistant
Secretary of the Treasury Leffingwell be asked to order such
deposits to be made on a pro rata basis with the various banks,
the Executive Committee to indicate the plan of distribution.
The Secretary was directed to report to the Governor in ex-
planation of a memorandum as to distribution, which had been
tentatively submitted.

A statement of conditions at the Federal Reserve Bank of Atlanta as disclosed during the recent visit of examiners at that place covering the conditions of organization and operation of the Bank and methods of work of the directors. The matter was discussed, and, on motion, it was voted that the Governor visit the Atlanta Bank and attend the next meeting of directors to be held on December 13, and ascertain the facts more fully.

A statement concerning the plan of Federal Reserve Agent Ramsey to establish an agency of the Dallas Bank at El Paso. The subject was discussed, but no action was taken.

Papers and correspondence transmitted by Mr. Strauss, relative to recent exchange negotiations with Lord Reading and others; referred to the Executive.

A proposal from Federal Reserve Agent Hardy to appoint Mr. A. W. Dudley Assistant Federal Reserve Agent at Richmond at \$3,000 per annum. The matter was discussed, and, with the informal recommendation of Committee No. 1, the appointment was approved.

A statement and letter from Federal Reserve Agent Hardy with reference to the appointment of an assistant auditor at Baltimore who would also be assistant Federal Reserve agent; referred to Committee No. 1, Mr. Hardy's letter

to be returned to the Governor.

A letter from Federal Reserve Agent Hardy stating the condition of the American Trust Company of Charlotte N. C., an applicant for admission to the system, was discussed and the documents referred to Committee No. 3 with request that they be considered at a formal meeting of the Committee at which Counsel should be present.

Various matters relating to the forthcoming annual report. The subject was discussed and members of the Board informally expressed their opinion with reference thereto.

Mr. Miller submitted business as follows:

A memorandum prepared by Chief Examiner Broderick relative to the question of clearing house examinations on the Pacific Coast. The memorandum was informally approved, and Mr. Miller was requested to telegraph Mr. Perrin the views of the Board.

A statement with reference to the question of credit expansion, touched upon at the last meeting of the Board. The subject was informally discussed, and Mr. Miller submitted further statistical data to substantiate his position in the matter.

The question of filling vacant directorships at Federal Reserve banks was briefly discussed, and special consideration was given to the question of reappointing Federal Reserve Agent Sawyer, but no action was taken.

The problem of reports of member banks and their frequency, was made a special order for the meeting of Friday, December 7.

On motion, at 1 P. M. the Board adjourned.

APPROVED:

Chairman

H. P. ...
Secretary.