At a regular meeting of the Federal Reserve Board held in the office of the Board on Friday, December 7, at eleven A. M.,

PRESENT:

Mr. Harding, presiding, Mr. Miller,

Mr. Warburg, Mr. Willis, Secretary,

Mr. Delano,

The minutes of the meeting of the Board held on December 5 were read and, on motion, approved.

The minutes of the meeting of the Executive Committee held on December 6 were read and, on motion, approved and the action therein set forth ratified.

The minutes of the meetings of the Committee on Gold Exports, held on December 4-6, inclusive, were presented and, on motion, approved and the action therein set forth ratified.

The question of considering and approving regulations for the control of foreign exchange was referred to the Executive committee sitting as the Committee on Gold Exports, with power to act.

Governor Harding stated to the board the facts as to changes in the directorate of the Federal Reserve Bank of Atlanta, and the general conditions in the man-
agement of that Bank. Informal discussion ensued.

Governor Harding read a draft of a letter addressed to all Federal Reserve Banks with reference to the policy of making depreciation charges preliminary to the payment of dividends. The letter was approved and its transmission authorized. In the same connection Governor Harding also read certain correspondence passing between himself and the Federal Reserve Bank of Dallas with reference to the dividend at that Bank.

The special order for the day, the report of Committee No. 2 with reference to member bank reports, was taken up, discussed and adopted and, on motion, referred back to the Governor to consult with the Comptroller of the Currency.

Correspondence between Governor Harding and the Federal Reserve Bank of St. Louis with reference to a stamp tax on bank paper, was read and noted.

Correspondence between Deputy Governor Treman and Governor Harding with reference to the demand for large bills, was read and noted, the papers in the case being returned to the Governor.

A letter from Federal Reserve Agent Heath with reference to the question of retaining Peoria on the list
of reserve cities, was read and noted.

A letter from Federal Reserve Agent Perrin with reference to the establishment of deposit banks in military camps, was read and it was agreed that the Governor be asked to transmit the same to the Secretary of the Treasury, and to say that if national banks were allowed to establish branches under suitable conditions, the point raised by Mr. Perrin, would be met.

Dividend applications of various Federal Reserve banks were thereupon presented and acted upon as follows:

Philadelphia - Letter of Federal Reserve Agent Austin transmitting a recommendation of the directors in favor of declaring a dividend at the rate of 6% from December 31, 1915, to June 30, 1917, read and the dividend approved, the letter being referred to the Governor for reply. In the same connection it was voted that the Philadelphia Bank be authorized to pay to all officers and clerks receiving a salary of $3500 or less, 10% of the total amount of salary received by them for the year.

Cleveland - A letter from the Federal Reserve
Bank of Cleveland transmitting a resolution of the Board of directors for the payment of a dividend by that Bank from January 1, 1916, to June 30, 1917, read and the dividend approved and the Secretary directed to send notice accordingly.

San Francisco - A report of the Committee on Operation of the Federal Reserve Bank of San Francisco, read and a dividend at 5% from October 1, 1915, to January 1, 1917; approved, and the Secretary directed to send notice accordingly.

Dallas - A letter proposing a 6% dividend for the Federal Reserve Bank of Dallas covering the period from November 1, 1916, to December 31, 1917, was read and, on motion, referred to the Executive Committee with power to act.

A letter from Mr. S. G. Sargent, Commissioner of Banks in the State of Oregon, with reference to membership in the Federal Reserve system, was read and noted.

A memorandum from Mr. O. E. Fouk on behalf of Mr. Hamlin with reference to the question of letters of recommendation for employees of the Board with respect to naval and military matters,
was read and noted.

On motion, it was voted that the Board transmit to the military authorities with reference to Mr. J. L. Reed, Secretary to Mr. Miller, the same letter already sent with reference to Mr. J. E. Bizzell.

Reports of Committees were presented and acted upon as follows:

A report of Committee No. 1 dated December 4th, fixing the salary of Examiner Thomas N. Williams at $3,600 per annum, read and approved.

A report of Committee No. 1, dated December 3, with reference to an increase in salary for Mr. J. B. Tutwiler, general bookkeeper at the Federal Reserve Bank of Atlanta, from $150.00 to $165.00 per month, read and approved.

A report of Committee No. 1, dated December 6, with reference to the appointment of Mr. Charles F. Horn as examiner in District No. 2, at a salary of $2,700 per annum, was read and approved.

A report of Committee No. 2 recommending the granting of acceptance powers up to 100% of capital and surplus of the Columbia Trust Company of New York, and the National Union Bank of Boston, read and approved.
A report of Committee No. 2 approving a certain form of trade acceptance submitted by Mr. L. E. Pierson, read and noted, the Secretary to make appropriate reply.

A report of Committee No. 2 favoring the admission of certain named State institutions to the Federal Reserve system, upon conditions set forth in each case, read and approved, and the banks ordered admitted as follows:

Chemung Canal Trust Company, Elmira, New York, for 500 shares in the Federal Reserve Bank of New York

Rahway Trust Company, Rahway, New Jersey, for 75 shares in the Federal Reserve Bank of New York


State Bank of Wilbur, Wilbur, Washington, for 35 shares in the Federal Reserve Bank of San Francisco.

Pittsburgh Trust Company, Pittsburgh, Pa., for 1800 shares in the Federal Reserve Bank of Cleveland.

Citizens Savings Bank, Gilman, Iowa, for 22 shares in the Federal Reserve Bank of Chicago.


A letter written by Governor Harding to Honorable Claude Kitchin with reference to the exemption of promissory notes of member banks from stamp taxes, was read and,
on motion, approved as expressing the sense of the Board.

A letter addressed to Mr. Warburg and stating that the Federal Reserve Bank of Philadelphia had authorized the purchase of the Horner building at not over $600,000, was read and noted.

On motion, it was voted that on Saturday, December 8, at 10 A. M., there be held a special Board meeting for the purpose of considering a memorandum to be submitted by Mr. Warburg with reference to certain current problems of the system, and that Mr. Warburg be asked to furnish the members with advance copies of the said memorandum.

Upon recommendation of Committee No. 2 the rate for bankers acceptances at the Federal Reserve Bank of New York, established by that Bank at 3-4%o, was approved.

On motion, at 1:15 P. M., the Board adjourned.

APPROVED:

Chairman

Secretary.