

At a meeting of the Executive Committee of the Federal Reserve Board held in the Board Room on Tuesday, December 11, 1917, at 12:15 P. M.

PRESENT:

Mr. Harding, presiding,                      Mr. Hamlin,  
Mr. Warburg,                                      Mr. Allen, Assistant  
Secretary.

Governor Harding submitted a draft of a letter to be sent to certain Federal reserve banks regarding the payment of one-half of their excess earnings to the Treasurer of the United States, and this was approved.

Attention was called to a letter from Federal Reserve Agent Ramsey relative to the proposed branch of the Federal Reserve Bank of Dallas at El Paso, Texas.

Approval was given to the application of the Denver National Bank to purchase 368 shares of the stock of the American & Foreign Banking Association at a cost of \$50,048.

Governor Harding called attention to letters from the First and Old Detroit National Bank and the Peoples National Bank of Detroit, relative to the Detroit Branch.

A letter from the Federal Reserve Bank of San Francisco relative to the dividend which it proposes to pay to

stockholders was referred to Mr. Delano.

A letter from the Federal Reserve Bank of New York asking what course it should pursue as to the purchase and payment of acceptances and other paper drawn by firms whose names appear on the Alien Enemy List, was ordered referred to Mr. Strauss to be taken up by him with Mr. Hammond of the War Trade Board.

Mr. Delano entered the meeting at this point.

Mr. Warburg presented a report of the Boston Committee on application for changes in rates received by telegraph early in the day, and the Governor was authorized to send the following telegram:

"Curtiss, Federal Reserve Agent,  
"Boston.

"Rates approved as follows: Commercial paper fifteen to ninety days five percent; acceptances four percent. You may post a general acceptance rate of from three to five percent. No action taken on rates for paper maturing one to fifteen days. It appears to Board that it is inadvisable to change short time rates. If you do not concur wire additional particulars and Board will discuss matter further tomorrow.

(Signed) Harding."

Approval was given to the following report of the Boston Committee:

"In view of the fact that the reserve for both deposits and notes of the Boston Federal

Reserve Bank is reported to us as being at about 40%, Committee No. 2 recommends that the Federal Reserve Banks of Kansas City, Dallas, St. Louis, and Minneapolis, be requested each to rediscount for the Federal Reserve Bank of Boston, five million dollars of ninety day Liberty Loan paper, and that the rate be fixed at 4%; and that the Governor be directed to inform the said Federal Reserve Banks to this effect."

At 1:00 P. M., the Committee adjourned.

APPROVED:

Chairman

*Arch*  
Secretary