

At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, December 17, at eleven a.m.,

PRESENT:

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

The minutes of the meeting of the Board held on December 12 were read and, on motion, approved.

The minutes of the meeting of the Executive Committee held on December 14 were read and, on motion, approved, and the action therein set forth ratified.

The minutes of the meetings of the Executive Committee sitting as a gold export committee, held on December 12 to 17, inclusive, were presented and, on motion, approved, and the action therein set forth ratified.

The special orders for the day were by unanimous consent, passed over for the time being.

A proposed letter drafted by Mr. Warburg for transmission to Governor Rhoads re the eligibility of certain notes of the American Car & Foundry Company, was read and, on motion, ordered circulated; it to be made a special

order for the meeting of December 19.

A letter drawn by Mr. Warburg for transmission to the Senate Banking and Currency Committee re the Calder Bill permitting the organization of branch banks (S 3214), was read and, on motion, ordered transmitted; and the Board agreed to approve the general plan of the proposed bill, and authorized the Governor to inform the Committee to that effect.

A letter from Mr. H. C. Hoover re the live stock situation on the Pacific Coast, was read and noted.

A letter from Federal Reserve Agent Perrin re space for the bank's future expansion was presented and referred to the Committee on the Operation of the Federal Reserve Bank of San Francisco.

Correspondence re clearing house examinations in Seattle was referred to the Executive Committee.

The Secretary of the Board gave official notice of the receipt of acceptances from Messrs. T. H. Given and J. D. Gallery of Pittsburgh of the directorships to which they have been named. He further laid before the Board the official notice of election of Messrs. A. B. C. Dohrmann and J. E. Fishburn as directors at the Federal Reserve Bank of San Francisco, and of Messrs. E. L. Johnson and M. B. Hutch-

inson at Chicago.

A letter prepared by Mr. Warburg for transmission to Governor Aiken re the eligibility of paper based on purchased accounts, was presented and ordered transmitted.

A letter proposed by Mr. Warburg for transmission to Federal Reserve Agent Austin re the filing of a statement by B. H. Howell Son & Co., concerning their condition, was read and approved for transmission.

A telegram from Federal Reserve Agent Perrin re membership of California banks, was presented and laid on the table until the meeting of December 19.

A memorandum from Mr. Warburg re the status of Buffalo as a reserve city, was read and noted.

A memorandum from Mr. Warburg re the question of asking the Comptroller of the Currency to inquiry of member banks how much gold they hold, was read and discussed and Mr. Warburg called attention to a report of the committee in charge of the matter regarding the calls to be made for conditions of member banks. On motion, it was voted that the report be referred to the Governor, with the Board's approval, and that he be requested to negotiate with the Comptroller on the basis of the report of the Committee.

The Comptroller's attention was informally called to the question of a gold report from banks, and it was agreed to obtain such a report at an early date.

An opinion of counsel apropos of certain questions raised by Governor Van Zandt, i.e., the applicability of Federal taxes to salaries at Federal Reserve banks, was presented and ordered transmitted to Governor Van Zandt.

A letter from the Secretary of the Treasury re the purchase of one year notes by reserve banks, was presented and noted.

Discussion of rates of discount at the Federal Reserve Bank of New York ensued, but no action was taken.

A report of Committee No. 1 re dividends at St. Louis and Minneapolis was read and the Minneapolis dividend referred to the Committee on Operation of the Minneapolis Bank for consultation with Governor Harding; the St. Louis dividend to be disapproved, Mr. Delano to communicate accordingly.

A report of Committee No. 2 authorizing the purchase of stock in the American and Foreign Banking Corporation by the American Southern Bank of Louisville, was read, and, on motion, approved.

A report of Committee No. 2 calling attention to objectionable rebates for prepaid notes at the Federal Reserve Bank of Kansas City, was read and noted.

Applications for admission to the Federal Reserve System, duly recommended by Committee No. 2, were presented, and accordingly the following institutions were ordered admitted to the system upon the conditions named by the Committee in each case:

Commercial & Savings Bank,	St. Clair, Mich.
Metropolitan Bank	Seattle, Wash.
First State Bank of Magnolia	Magnolia, Ill.
First State Bank	La Crosse, Wash.
The Northwestern State Bank	Bellingham, Wash.
American Exchange Bank	Milwaukee, Wis.
Pennsylvania Company for the In- surance of Lives and Granting Annuities	Philadelphia

Reports of Committee No. 3 stating action required or not required in the case of certain directors under the Clayton Act, such reports being dated December 11 and 13, were read and, on motion, approved, and the correspondence accordingly ordered transmitted.

In this connection inquiry having been made regarding the future status of directors who had been authorized to serve under the Clayton Act during the current year, the Chairman requested Committee No. 3 to file with the Board

a formal report making recommendation as to its course of action in this regard.

Changes in stock at Federal Reserve banks, duly recommended by Committee No. 3, were, on motion, approved as follows:

Applications for Original Stock.

		Shares
<u>District No. 1.</u>		
Winchester National Bank	Winchester, Mass.	<u>39</u> 39
<u>District No. 10.</u>		
Farmers National Bank	Valentine, Nebr.	21
First National Bank	Taos, N. Mex.	<u>18</u> 39
Total,		78

The minutes of the meeting of Committee No. 4 held on December 14 were presented and, on motion, approved and the action therein set forth ratified.

Letters from Governor McDougal addressed to Governor Harding (1) proposing a dividend to December 31, 1917, and (2) a bonus of 10% to officers and employees excepting the Governor, were presented and, on motion, referred to Committee No. 1.

A letter from Federal Reserve Agent Hardy relative to the policy of the Federal Reserve Bank of Atlanta in accepting checks for collection, was presented and, on motion, referred to Committee No. 1.

