At a regular meeting of the Federal Reserve Board
held in the office of the Board at 11.20 a.m., on Friday,
December 21,

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

Governor Harding made a brief statement of the gen-
eral banking situation with special reference to conditions
in Baltimore and Boston.

The minutes of a meeting of the Board held on Dec-
ember 19 were read and, on motion, approved.

The minutes of a meeting of the Executive Committee
held in the office of the Board on December 18, were read
and, on motion, approved and the action therein set forth
ratified.

The minutes of the meetings of the Executive Com-
mittee sitting as a gold export committee, held in the of-
\(\text{\text{f}}\)ce of the Board from December 17 - 21, inclusive, were
presented and approved and the action therein set forth
ratified.
The question of relations between the Atlanta Bank and the New Orleans Branch, made a special order for the day, was passed over by unanimous consent.

Mr. Delano made a progress report regarding the question of establishing a uniform rule valid at all Federal Reserve banks regarding Christmas bonuses. Upon being put to a vote, it was the sense of the Board that such a uniform rule, fixing a maximum bonus allowance, should be established, valid at all banks. Mr. Warburg was recorded as voting no.

The whole matter of bonuses was thereupon referred back to the Committee and made a special order for the meeting of December 24.

The question of directors at the various banks for the coming year being considered, the following action was taken:

**BOSTON:**

Mr. F. H. Curtiss, reelected director for three years, redesignated Chairman and Federal Reserve Agent for one year.

Mr. Allen Hollis, designated Deputy Chairman for one year.

**NEW YORK:**

Mr. Pierre Jay, redesignated Chairman and Federal Reserve Agent for one year.
Mr. G. F. Peabody, redesignated Deputy Chairman for one year.

Mr. W. L. Saunders, reelected for three years.

PHILADELPHIA:

Mr. R. L. Austin, reelected director for three years, redesignated Chairman and Federal Reserve Agent for one year.

Mr. H. B. Thompson, redesignated Deputy Chairman for one year.

CLEVELAND:

Mr. D. C. Wills, reelected director for three years, redesignated Chairman and Federal Reserve Agent for one year.

Mr. Lyman H. Treadway, redesignated Deputy Chairman for one year.

RICHMOND:

Mr. Caldwell Hardy, reelected director for three years, redesignated Chairman and Federal Reserve Agent for one year.

Mr. James A. Moncure, redesignated Deputy Chairman for one year.

ATLANTA:

Mr. M. B. Wellborn, reelected director for three years, redesignated Chairman and Federal Reserve Agent for one year.

Mr. E. T. Brown, redesignated Deputy Chairman for one year.

CHICAGO:

Mr. W. A. Heath, redesignated Chairman and Federal Reserve Agent for one year.

Mr. James A. Simpson, elected for three years, designated Deputy Chairman for one year.

ST. LOUIS:

Mr. Wm. Mcc. Martin, redesignated Chairman and Federal Reserve Agent for one year.
MINNEAPOLIS:

Mr. John H. Rich, reelected director for three years, redesignated Chairman and Federal Reserve Agent for one year.

Mr. Wm. H. Lightner, redesignated Deputy Chairman for one year.

KANSAS CITY:

Mr. Asa E. Ramsay, elected director for three years, designated Chairman and Federal Reserve Agent for one year.

Mr. W. F. Fleming, redesignated Deputy Chairman for one year.

DALLAS:

Mr. W. E. Ramsey, reelected director for three years, redesignated Chairman and Federal Reserve Agent for one year.

Mr. W. B. Newsome, redesignated Deputy Chairman for one year.

SAN FRANCISCO:

Mr. John Perrin, reelected director for three years, and redesignated Chairman and Federal Reserve Agent for one year.

Mr. Walton N. Moore, redesignated Deputy Chairman for one year.

Branch directors appointed by the Board were re-elected for one year at New Orleans, the Pacific Coast Branches, and Louisville.

Mr. Warburg gave notice to the Board of the resignation of Governor Rhoads of Philadelphia, and reported the results of a conference with Federal Reserve Agent Austin in which the latter had proposed a leave of absence.
for Governor Rhoads, and the appointment of Mr. F. M. Harit as Acting Governor. Mr. Warburg had disapproved the suggestion, and went on to suggest methods of making a suitable choice of a successor to Governor Rhoads. On motion, the matter of selecting a suitable successor was referred to the Philadelphia Committee.

Discount rates at the Federal Reserve Bank of New York, informally acted upon by the Board on December 21, were presented to the Board and, on motion, formally ratified as follows:

**Discounts:**

- **Within 15 days, including member banks’ collateral notes:** 31/2
- **16 to 60 days:** 4
- **61 to 90 days:** 41/2
- **Agricultural and livestock paper over 90 days:** 5
- **Secured by U.S. ctsf. of indebtedness or L/L bonds:**
  1. **Within 15 days, including member banks collateral notes:** 31/2
  2. **Within 16 to 90 days:** 4
- **Special day to day rate in connection with government financing:** 3 - 41/2

**Trade Acceptances:**

- **1 to 15 days, inclusive:** 31/2
- **16 to 90 days:** 4

It was further ordered formally recorded in the minutes that the acceptance rate is now 3 to 41/2 at those banks where 90 day commercial paper carries a rate of 41/2, and at those places where such paper carries a rate of 51/2, the ac-
Acceptance rate is 3 to 5%.

The Secretary was directed to notify all Federal Reserve banks of the action thus taken.

The Secretary of the Board reported the receipt of an inquiry from Mr. J. E. Rovensky of the National Bank of Commerce as follows:

(a) Whether Cuba may be considered a country in which dollar exchange drafts may be drawn on American banks;

(b) Whether the National Bank of Commerce in New York may be authorized to accept such drafts.

On motion the matter was referred to Committee No. 2.

Papers relating to clearing house examinations in Seattle were laid on the table until the next meeting of the Board.

Questions relating to the annual reports of Federal Reserve banks were discussed and the following tentative agreement reached:

(a) That reports shall be approximately 5,000 words;

(b) That a short paragraph of general thanks for aid in Liberty Loan work may be inserted in the text of the report, but that any names of participants shall be shifted
to an appendix or roster at the close:

(c) That where necessary, unsatisfactory reports shall be returned to their authors for re-writing.

A memorandum presented by Mr. Delano relative to par remittances in the Northwest and deposits from private banks, were laid on the table until the next meeting of the Board.

Upon recommendation of Committee No. 1, the following appointment was authorized:

Mr. A. A. Moore, stenographer, at a salary of $1400 per annum.

Upon recommendation of Committee No. 1, permission was granted to Mrs. O. M. Croghan to transfer to the Bureau of War Risk Insurance.

Upon recommendation of the Executive Committee, it was, on motion, voted to approve Senate Bill #3069, introduced by Mr. Chamberlain, relative to membership of State banks, with slight modifications, the Secretary to show the same to the Comptroller of the Currency, and upon his assenting thereto, the Governor to inform the Banking and Currency Committee of the Senate of the Board's position.

Telegaphic correspondence between Mr. Miller and Federal Reserve Agent Perrin regarding the membership of Califor-
nia State banks in the Federal Reserve system was read and noted.

Upon recommendation of Committee No. 2 the following State institutions were ordered admitted to the Federal Reserve system upon conditions named by the Committee in each case:

- Discount & Deposit Trust Co., Kentland, Ind.
- Farmers State Bank, Vail, Ia.
- The American Trust Company, Jacksonville, Fla.
- City Bank, Syracuse, New York.
- Volusia County Bank, Deland, Fla.
- Newark Trust Company, Newark, Ohio.

Upon recommendation of Committee No. 3 the application of Mr. L. L. Crosby for permission to serve at the same time as director of the First National Bank of Monroe, Washington, and as director and officer of the First National Bank of Everett, Washington, was approved.

On motion, it was voted that Mr. Hamlin be requested to attend a meeting of the Massachusetts State Bankers Association to be held in Boston on January 9, the cost of the trip to be borne by the Board.

On motion at 1:10 p.m. the Board adjourned.

APPROVED:

Chairman.

Secretary.