

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Board on Saturday, December 22, at 11 a.m.,

PRESENT:

- Mr. Harding, presiding, Mr. Hamlin,
- Mr. Warburg, Mr. Willis, Secretary.
- Mr. Delano,

The Secretary of the Board presented official notice of the action of the Philadelphia directors in declaring a dividend to June 30, 1917.

A memorandum of Counsel re the application of draft regulations to Messrs. Harrison and Wyatt was read and it was agreed that the Governor write a letter asking the exemption of the former but not the latter.

A telegram from Governor Fancher suggesting certain additional changes in the proposed draft of by-laws for the Cincinnati Branch, was read and referred to the Governor with power to act.

The Secretary was directed to convey informal assent to the National Bank of Commerce's request for permission to accept drafts drawn in Cuba.

Governor Harding presented business which was acted

upon as follows:

A letter from Federal Reserve Agent Ramsey re the El Paso agency; read and noted.

A letter from the Atlanta Clearing House Association, read and referred to the Atlanta Committee with power.

A letter from Secretary Curtis of the Federal Reserve Bank of New York, re the depreciation and reserve policy of the bank; read, and the Governor authorized to express the understanding of the Board as determined at the recent conference with directors.

A rectification of the recent trade acceptance classification at the Federal Reserve Bank of New York (1 - 15 days and 16 - 90 days) was ordered, making the published classification 1 - 60 days and 61 - 90 days.

A report of Committee No. 1, dated December 22, and outlining a plan for the payment of bonuses to Federal Reserve bank employees; also a minority committee report on the same; read and the majority report approved with modifications to the effect that banks may, at their option, pay bonuses not to exceed 15% to employees receiving \$1500 a year each, or less.

A memorandum filed by Mr. Warburg raising the ques-

tion of printing Federal Reserve notes outside the Bureau of Engraving and Printing, and recommending that the printing of such notes should be the last thing to be transferred to private hands; read and approved by the Board, the substance thereof to be transmitted to the Secretary of the Treasury.

Mr. Harding reported informally regarding the general status of banking and bond sale problems, outlining certain remedies he had in mind.

At 12.15 p.m. the Committee adjourned.

APPROVED:

A. P. ...
Secretary.

Chairman.