At a meeting of the Federal Reserve Board, held in the office of the Board on December 18, 1918, at 11 A.M.,

PRESENT: The Governor
Mr. Strauss
Mr. Hamlin
Mr. Miller
Mr. Broderick, Secretary.

The minutes of the meetings of the Board held on December 13th and 16th were read, and on motion approved as amended.

The minutes of the meetings of the Gold Export Committee, held on December 17th and 18th, were presented and approved, and the action therein set forth ratified.

Morning business was presented and disposed of as follows:

The Governor reported that on yesterday the Chairman of the Banking and Currency Committee of the House had introduced in the House a bill to amend the Federal Reserve Act in certain respects.

Letter dated December 16th, from the Chairman of the Federal Reserve Bank of Richmond, submitting recommendations for increases in salaries of officers and employees of that Bank for the year 1919.

Approved.

Letter dated December 16th, from Chairman of the Federal Reserve Bank of New York, requesting correction of in-
crease in salary of Mr. Hendricks, Cashier of that Bank, to make such increase $2,000 instead of $1,500.

Approved.

Telegram dated December 17th, from Chairman of the Board, Federal Reserve Bank of Boston, recommending horizontal increase of 10% in the salaries of clerks in view of the Board's action in disapproving prior commitments for bonuses in 1919.

Voted to reconsider the action of the Board of December 16th, approving increases for 1919 in salaries of officers and employees of the Federal Reserve Bank of Boston.

Voted to approve salary increases heretofore approved for officers on the basis submitted "without bonus".

Voted further that the Chairman of the Board of the Boston Bank be informed that the Board is unwilling to approve horizontal increase in salaries of clerks recommended by his Board, believing such action unnecessary in order to retain certain individual members of the Bank staff, and that the Board requests the Federal Reserve Bank of Boston to submit a revised list of recommendations of salaries of employees with such individual changes in previous recommendations as the Bank may see fit to make.

Letter dated December 13th, from the Chairman of the Board of the Federal Reserve Bank of Dallas, recommending approval of salaries of Federal Reserve Examiners at that Bank, as follows:
R. E. Chambers, $3,000 per annum
J. H. Blocker, 2,500 "

Approved.

The Secretary presented report of estimated expenses of the Federal Reserve Board for the period January 1 to June 30, 1919.

Voted that it shall be the future policy of the Federal Reserve Board, in levying assessments upon Federal Reserve Banks for the expenses of the Board, to adopt as the basis of such assessments the paid in capital and the surplus rather than the authorized capital and the surplus of Federal Reserve Banks.

On motion duly seconded, the following resolution was adopted:

WHEREAS, under Section 10 of the Act approved December 23, 1913, and known as the Federal Reserve Act, the Federal Reserve Board is empowered to levy semi-annually upon the Federal Reserve Banks in proportion to their capital stock and surplus an assessment sufficient to pay its estimated expenses, including the salaries of its members, assistants, attorneys, experts, and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year; and

WHEREAS, it appears from estimates submitted and considered that it is necessary that a fund equal to two hundred ninety six thousandths (.00296) of one per cent of the paid in capital stock and surplus of the Federal Reserve Banks be created for the purpose hereinbefore described, exclusive of the cost of engraving and printing of Federal Reserve notes; Now, therefore,

BE IT RESOLVED, That pursuant to the authority vested in it by law, the Federal Reserve Board hereby levies an assessment upon the several Federal Reserve Banks of an amount equal to two hundred ninety six thousandths (.00296) of one per cent of the total paid in
capital stock and surplus of such banks, and the Fiscal Agent of the Board is hereby authorized to collect from said banks such assessment and execute, in the name of the Board receipts for payments made. Such assessment will be collected in two installments of one-half each; the first installment to be paid on January 1, 1919, and the second half on March 1, 1919.

The Governor reported the following rediscount transactions pursuant to authority heretofore vested in him:

December 17th, by Federal Reserve Bank of Chicago for Federal Reserve Bank of Dallas, $5,000,000 member bank 15 day notes; Government security, rate 4\%.

December 17th, by Federal Reserve Bank of Minneapolis for Federal Reserve Bank of Philadelphia, $10,000,000 customers' paper, 30-60 days; Government security, rate 4\%\%.

December 17th, by Federal Reserve Bank of Chicago for Federal Reserve Bank of Atlanta, $5,000,000 15 day member bank promissory notes; Government security, rate 4\%\%.

Noted.

The Governor reported the purchase of the following special 2\% certificates of indebtedness of the United States for deposit with the Comptroller of the Currency as collateral for Federal Reserve Bank notes:

<table>
<thead>
<tr>
<th>For Federal Reserve Bank of:</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston,</td>
<td>Dec.16,1918</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Cleveland,</td>
<td>&quot;</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Atlanta,</td>
<td>Dec.17,1918</td>
<td>500,000</td>
</tr>
<tr>
<td>Chicago,</td>
<td>&quot;</td>
<td>2,000,000</td>
</tr>
<tr>
<td>New York,</td>
<td>&quot;</td>
<td>2,000,000</td>
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<tr>
<td>Dallas,</td>
<td>&quot;</td>
<td>1,000,000</td>
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<tr>
<td>Kansas City,</td>
<td>&quot;</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

Approved.
Memorandum by Secretary dated December 17th, recommending a call for reports of condition of member banks, other than National Banks, simultaneously with and as of the same date as the Comptroller's last call for the present calendar year.

Approved.

Letter dated December 14th, from Chairman of the Federal Reserve Bank of Atlanta, asking approval of the payment by that Bank of a dividend of 3\% as of December 31, 1918.

Approved.

Proposed letter to all Federal Reserve Agents and Federal Reserve Banks, dated December 17th, in re treatment of reserves against deposits and note liabilities of Federal Reserve Banks.

Approved as amended.

Telegram dated December 16th, from the Chairman of the Federal Reserve Bank of Atlanta, requesting approval of lease of quarters in the Heard National Bank Building for the Jacksonville Branch of the Federal Reserve Bank of Atlanta.

Referred to Governor with power.

Letter dated December 13th from Mr. Alva Adams, a
director of the Denver Branch of the Federal Reserve Bank of Kansas City.

On motion, duly seconded, it was voted to reelect Messrs. Alva Adams and John Evans, directors of the Denver Branch of the Federal Reserve Bank of Kansas City, for the calendar year 1919.

Memorandum by Comptroller of the Currency dated December 13th, recommending approval of the application of the Mount Jewett National Bank, Mount Jewett, Pa., for permission to reduce its capital stock from $60,000 to $30,000, with the understanding that a surplus of not less than $15,000 shall be maintained.

Approved.

REPORT OF COMMITTEE NO. 1:

Dated December 17th, recommending admission of State institutions as set forth in the auxiliary minute book as of this date, subject to the conditions stated in the individual reports attached to each application.

Approved.

Dated December 17th, recommending approval of the application of John A. Garver of New York City, for permission to serve at the same time as Director of the Citizens National Bank, the National City Bank, and New York Trust Company, all of New York.

Approved.

Dated December 17th, recommending changes in stock at Federal Reserve Banks as set forth in the auxiliary minute book as of this date.

Approved.
CHANGES IN STAFF:

Dated December 14th, recommending approval of salary of $5,000 per annum, effective December 15th, for M. W. Bell, Cashier of the Federal Reserve Bank of Atlanta.

Referred to Executive Committee with power.

Dated December 16th, recommending appointment of W. H. Toole as Manager, Fiscal Agent Department, Federal Reserve Bank of Atlanta, effective December 15th, at a salary of $4,500 per annum.

Referred to Executive Committee with power.

Dated December 14th, recommending increase in salary of Richard L. Hargreaves, National Bank Examiner, Federal Reserve District No. 5, from $3,000 to $3,600 per annum, effective January 1, 1919.

Approved.

Dated December 13th, recommending increase in salary of George J. Stevens, National Bank Examiner, Federal Reserve District No. 4, from $3,600 to $3,900 per annum, effective January 1, 1919.

Approved.

Dated December 17th, recommending increase in salary of Secretary Mcallen of the Federal Reserve Bank of Chicago, from $3,000 to $3,500 per annum, effective January 1, 1919.

Approved.

Other business was presented and disposed of as follows:

Letter dated December 13th from Hon. R. C. Leffingwell, Assistant Secretary of the Treasury, reporting deposit with
Federal Reserve Banks of gold accumulated through the use of Federal Reserve notes by Treasury officers in making current disbursements.

Noted.

Telegram dated December 15th, from Assistant Federal Reserve Agent Elliott of San Francisco, requesting authority to reduce from 4 1/2% to 4% the discount rate on member bank 15 day notes secured by Government obligations.

Referred to Governor for further information as to reasons for asking reduction in rate.

At 12:45 P.M., the meeting adjourned.

Approved:

[Signature]

Secretary.

[Signature]

Governor.