At a meeting of the Federal Reserve Board held in the office of the Board on Friday, December 19, 1919, at 11 A.M.,

PRESENT: The Governor
Mr. Strauss
Mr. Miller
Mr. Hamlin
Mr. Williams
Mr. Chapman, Secretary.

Minutes of the meeting of the Board held December 18th were read, and on motion approved as amended.

Minutes of the meeting of the Executive Committee held December 18th were read, and on motion approved as amended.

Business was presented and disposed of as follows:

On motion duly seconded it was voted that effective January 1, 1920, the salary of Mr. George L. Harrison, General Counsel, be increased from $8,500 to $10,000 per annum.

On motion duly seconded, it was voted that effective January 1, 1920, the salary of Mr. Walter S. Logan, the Board's Assistant Counsel, be increased from $5,000 to $6,000 per annum.

The Governor reported that he recommended approval of all of the increases recommended in salaries of employees of the Federal Reserve Board to be effective January 1, 1920 referred to him with power at the Executive Committee meeting on yesterday, with the exception of the following:
Voted that the Board adopt the Governor's recommendation of approval of the increases indicated, and to refer to the Governor with power the increases to which he took exception.

Report of discount rates at various Federal Reserve banks; no changes recommended; Noted.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business December 17, 1919, and the status of rediscounts between Federal Reserve banks as of the same date.

Telegram dated December 17th from the Chairman, Federal Reserve Bank of San Francisco, requesting that that Bank be permitted to retain at $95,000 the reserve now carried for depreciation on United States bonds, together with memorandum by Mr. Paddock dated December 18th, recommending approval thereof.

Approved.

Letter dated December 15th from the Chairman, Federal Reserve Bank of Philadelphia, in re status of permission granted by the Board to directors of banks to serve as such
under the terms of the Clayton Act.

Referred to the Clayton Act Committee for report.

Letter dated December 11th from the Chairman, Federal Reserve Bank of San Francisco, advising that the Comptroller of the Currency has granted application for the organization of the College National Bank, Berkeley, California, to applicants refused permission to organize a State bank, and advising that if the application had been referred to his office adverse recommendation would have been made.

Voted to transmit to the Secretary of the treasury and the Comptroller of the Currency a copy of Mr. Perrin's letter.

Voted further, that Mr. Perrin be requested to communicate to the board fully the grounds upon which he would have based an adverse recommendation.

Letter dated November 22d from the Fobes Company, Ltd., Shanghai, China, commenting upon adverse exchange rates between the United States and China.

Referred to Mr. Strauss.

(At this point Mr. Williams joined the meeting)

On motion duly seconded it was voted to reappoint for the calendar year 1920 the following directors of the Baltimore Branch of the Federal Reserve Bank of Richmond.

William Ingle
Waldo Newcomer
A discussion then ensued as to the Board's future policy with respect to the determination of the population of towns and cities in considering applications of State banks for admission to the Federal Reserve System, pursuant to the provisions of Section 9 of the Federal Reserve Act.

On motion duly seconded it was voted that in considering applications of State banks for membership in the Federal Reserve System pursuant to the provisions of Section 9 of the Federal Reserve Act, the Federal Reserve Board accept the figures shown by the last published census, whether national, state, county or municipal, unless the figures palpably do not conform to known conditions, in which event population figures are to be obtained by procuring affidavits from various local officials as heretofore.

REPORTS OF COMMITTEE NO. 1:

Dated Dec. 19th, 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 Dec. 18th, recommending changes in stock at federal Reserve banks, as set forth in the auxiliary minute book as of this date.
Approved.

Dated Dec. 18th, recommending action on applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.
Approved.
Dated Dec. 18th, recommending action on application of Emil G. Seip to serve at the same time as President and director of the Calumet National Bank, and as a director of the Roseland State Savings Bank and the East Side Trust & Savings Bank, all of Chicago, Ill. 

Approved.

Dated Dec. 18th, recommending action on application of Marcus A. Aurelius to serve at the same time as vice-President, Director and Cashier of the Calumet National Bank, and the East Side Trust & Savings Bank, both of Chicago. 

Approved.

Dated Dec. 18th, recommending action on application of Walter E. Schmidt to serve at the same time as President and Director of the Roseland State Savings Bank, and as a director of the Calumet National Bank and the East Side Trust & Savings Bank, all of Chicago. 

Approved.

Dated Dec. 18th, recommending action on application of R. E. L. Brooks to serve at the same time as a director of the Calumet National Bank and the East Side Trust & Savings Bank, both of Chicago. 

Approved.

Dated Dec. 17th, submitting resignation of Miss Della M. Turner as Clerk Counter at $1,040 per annum, detailed to the National Bank Redemption Agency, effective at the close of business December 10, 1919. 

Approved.

Dated Dec. 17th, recommending following increases in salaries of the Board’s telegraph operators, whose salaries are paid by the Federal Reserve Bank of Chicago, effective January 1, 1920:

<table>
<thead>
<tr>
<th>Name</th>
<th>From</th>
<th>To</th>
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<tbody>
<tr>
<td>J. J. Mooney</td>
<td>$2,400</td>
<td>$2,800</td>
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<tr>
<td>E. T. Mulrnan</td>
<td>1,800</td>
<td>2,000</td>
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<tr>
<td>A. D. Blake</td>
<td>1,680</td>
<td>1,800</td>
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<tr>
<td>E. H. Wyley,</td>
<td>1,680</td>
<td>1,800</td>
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Opinion by general Counsel dated December 19th, to the effect that there is no legal objection to having Federal Reserve banks set up a reserve out of the earnings of the current six months to cover the levy for the expenses of the Federal Reserve Board for the succeeding six months.

Referred to the governor with authority to advise Federal Reserve banks accordingly.

Letter dated December 16th from Mr. Charles A. Hinsch in re joint directorships between the Fifth-Third National Bank and the Union Savings Bank & Trust Co., of Cincinnati, Ohio. voted that the governor be authorized to advise Mr. Hinsch that the Board will take up this question with him about April 1, 1920.

Letter dated December 16th from the governor, Federal Reserve Bank of Philadelphia, advising of the appointment of Mr. Samuel K. Earl as Assistant Cashier at a salary of $4,500 per annum, effective January 1, 1920, subject to the approval of the Federal Reserve Board.

Approved.

Letter dated December 16th from the governor, Federal
Reserve Bank of Philadelphia, requesting authority to charge
to current expenses at the close of business this year the
sum of $100,000 against real estate, and to charge off against
current earnings at the same time $62,500 to cover further
losses on the over-issue of 3-1/2% interim certificates.

On motion duly seconded, it was voted to
disapprove the charge off against real estate, and
to approve the charge off against loss on over-
issue of interim certificates.

Letter dated December 16th from the governor, Federal
Reserve Bank of New York, requesting authority to charge off
the sum of $900,031.72 against buildings on real estate ac-
quired by that bank, leaving the net amount standing on the
books of the bank to represent real estate $3,094,050.

Approved.

Letter dated December 16th from the Chairman, Federal
Reserve Bank of Minneapolis, submitting schedule of salaries
of officers and employees of that bank, effective January 1,
1920, together with memorandum by Mr. Paddock dated December
19th, recommending approval.

Approved.

Letter dated December 16th from the Chairman, Federal
Reserve Bank of Atlanta, requesting authority to declare a
6½ dividend on the capital stock of that bank as of December
31, 1919.
Approved.

Letter dated December 16th from the Chairman, Federal Reserve Bank of Atlanta, advising that Mr. Oscar Wells, Birmingham, Alabama, has been elected a member of the Federal Advisory Council to represent the Sixth Federal Reserve District.

Noted.

Letter dated December 16th from the Chairman, Federal Reserve Bank of Atlanta, advising of the election of members of the Boards of Directors of the branches of that Bank for the year 1920.

Noted.

Letter dated December 17th from the Chairman, Federal Reserve Bank of Atlanta, advising of the action of the Directors of that Bank in recommending a special rate of discount for paper secured by receipts for goods stored in Federal and other special warehouses.

Referred to the Governor for reply, disapproving.

At 1:25 P.M., the meeting adjourned.

Approved:

Secretary.

Approved:

Governor.