

At a regular meeting of the Federal Reserve Board held in the office of the Board on Wednesday, August 26, 1914, at 10:30 a. m.

## PRESENT:

Mr. Hamlin	Mr. Warburg
Mr. Delano	Mr. Miller
Mr. Williams	Mr. Harding

Mr. Hamlin, Governor of the Board, acted as Chairman of the meeting, and Mr. M. C. Elliott as Secretary.

The minutes of the meetings on August 21st and August 25th were read and approved.

The Committee on By-laws made its report and after a general discussion on motion made and seconded the following were adopted as the By-laws of the Federal Reserve Board.

BY-LAWS OF  
THE FEDERAL RESERVE BOARD.

## ARTICLE I.

The Chairman.

The Secretary of the Treasury shall be Chairman of the Board, and shall preside at all meetings when present. In the absence of the Chairman the Governor of the Board shall act as presiding officer. In the absence of

Page.....Meeting AUG 26 1914

*M. C. Elliott* Sec'y.

both the Chairman and the Governor, the Vice-Governor shall act as Chairman.

ARTICLE II.

The Governor.

Section 1. The Governor of the Federal Reserve Board shall be the active executive officer thereof; subject, however, to such rules and regulations as may be incorporated herein or may from time to time, by resolution, be established.

Section 2. The Governor shall have custody of such funds as may be in possession of the Board. He shall open and maintain bank accounts in such institutions as the Board may by resolution designate, and shall sign checks drawn on such accounts, such checks to be countersigned by the Secretary or other designated officer of the Board.

Section 3. The Governor shall keep or cause to be kept a continuing record of all receipts and disbursements of the Board.

Section 4. The Governor shall have general charge of all business of the Board not specifically assigned by resolution to any individual member thereof, or to the committee of the whole. He shall submit a summary of such business at each succeeding meeting of the Board.

Section 5. The Governor shall have custody of the seal of the Board and shall have power to affix the same to all instruments requiring it under

the authority of the Board. Such instruments shall be attested by the Secretary.

### ARTICLE III.

#### The Vice-Governor.

Section 1. In the absence or disability of the Governor, his powers shall be exercised and his duties discharged by the Vice-Governor and in the absence or disability of both of these officers, such powers shall be exercised and such duties discharged by such member of the Board, as it may by resolution, designate Chairman pro tem.

Section 2. It shall be the duty of the Vice-Governor to cooperate with the Governor in the administration of the general business of the Board.

### ARTICLE IV.

Section 1. The Board shall appoint a Secretary, whose duty it shall be to attend all meetings of the Board, and keep a record of its proceedings.

Section 2. The Secretary shall assist the Governor and members of the Board in the administration of general business and correspondence. He shall under the direction of the Governor have general supervision of the office and shall supply the Board with detailed information regarding domestic and international business and banking relations, and such other data as the Board may from time to time require.

Section 3. In the absence or disability of the Secretary, his duties shall be performed by such member of the Board or general staff as said Board, may, by resolution, appoint Secretary pro tem.

Page..... Meeting AUG 26 1914.....

*M. E. ...* Sec'y.

## ARTICLE V.

The following is an impression of the seal adopted by the Board.



## ARTICLE V- a.

Counsel.

The Board shall appoint a regular Counsel whose duty it shall be to advise with the Board, or any member thereof, as to such legal questions as may arise in the conduct of its business; and to prepare, at the Board's request, forms and other legal papers and to perform generally such legal services as he may be called upon by the Board to perform.

## ARTICLE VI.

Meetings.

Section 1. There shall be a stated meeting of the Board each week day except Saturdays and legal holidays at 11 a. m.

Section 2. A majority of the Board shall constitute a quorum for the transaction of business except that an affirmative vote of at least five members of the Board shall be necessary to require Federal reserve banks to rediscount the discounted paper of other Federal reserve banks.

Section 3. At least once during each quarter there shall be a joint conference in Washington of members of the Federal Reserve Board and the Federal Reserve Advisory Council, at such time as may be mutually agreed upon by said Board and said Council.

Section 4. At all meetings of the

Page.....Meeting AUG 26 1914.....

*W. E. Miller* Sec'y.

Board the following shall be the order of business:

- (1) Reading or inspection of the minutes of the last regular meeting.
- (2) Report of the Governor.
- (3) Report of the Secretary.
- (4) Reports of the committees or members on assigned business.
- (5) Unfinished business.

ARTICLE VII.

Information.

Section 1. All persons employed by the Board shall keep inviolate its business, affairs, and concerns, and shall not disclose or divulge the same to any unauthorized person whomsoever, and any employee who shall give information contrary to this by-law shall be liable to immediate dismissal.

Section 2. Unless a different procedure in given cases is authorized by **vote** of the Board, the action or policy of the Board shall not be expressed through any individual member, but by its duly constituted officers, after formal action by the Board.

ARTICLE VIII.

Committee on Budget and Audit.

The Chairman shall appoint a committee consisting of two members of the Board, whose duty it shall be to audit the accounts thereof for the six months' period for which they shall have been appointed, and report to the Board a tentative budget of expenses for the next succeeding six months.

Page.....Meeting AUG 26 1914.....

Al. E. Smith Sec'y.

ARTICLE IX.Amendments.

These by-laws may be amended at any regular meeting of the Board by a majority vote of the entire Board, provided that a copy of such amendment shall have been delivered to each member at least seven days prior to such meeting.

Senator Hoke Smith appeared before the Board and asked its consideration of a bill proposed to be introduced in the Senate authorizing state banks and trust companies with a capital stock of less than twenty-five thousand dollars to become members of the Federal Reserve system under an agreement that their capital would be increased within eighteen months from date of admission into the system. The Board took the matter under consideration but deferred final action until a future meeting.

A letter from Messers. Bell and Ellis, Attorneys at Law, Atlanta, Georgia, was submitted by the Chairman and referred to the Secretary pro tem with instructions to reply that the subject matter should be taken up with the Comptroller of the Currency.

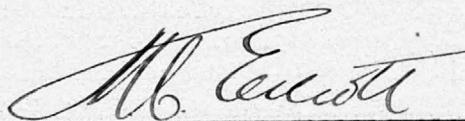
Mr. Harding submitted for the Board's information a specimen form of note which the cotton merchants were con-

sidering adopting. It was the sense of the meeting that the Federal Reserve Board should not undertake to approve officially any form submitted at this time but the matter was referred to Counsel for consideration and report.

The Chairman read a letter from Mr. A. G. Clapham, President of the Commercial National Bank of Washington, referring to application of that bank dated May 6, 1914, for permission to establish a branch bank at Balboa. This letter was referred to the Committee on establishment of branch banks in foreign countries and the Secretary was directed to notify the President of the Commercial National Bank that the Committee would be glad to hear its representatives on the subject.

Counsel was requested to make an examination of Section 27 of the Federal Reserve Act and report whether or not the reference in that section to Section 5153 was in error.

On motion the meeting adjourned to meet again on Thursday, August 27, 1914.

  
Secretary pro tem.

APPROVED:

  
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Page \_\_\_\_\_ Meeting AUG 26 1914

 Sec'y.