

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11.10 a. m. Monday, April 5th

## PRESENT:

Mr. Delano, presiding, Mr. Warburg

Mr. Williams Mr. Harding

Mr. Willis, Secretary.

The minutes of the meeting of 11.00 a. m. Friday, April 2d, were read and approved.

The application of the Federal Reserve Bank of New York for \$2,960,000 of Federal Reserve notes, duly recommended, was approved as follows:

Five dollar denomination	\$1,000,000
Ten dollar denomination	1,000,000
Twenty dollar denomination	960,000

Applications for 110 shares of capital stock in Federal reserve banks, duly recommended by Mr. Harding, were approved as follows:

<u>DISTRICT No. 1.</u>		<u>Shares</u>
Citizens National Bank	Poultney, Vt.	1
Peoples National Bank	Barre, Vt.	1
<u>DISTRICT No. 3.</u>		
Farmers National Bank	Selinsgrove, Pa.	3
Madera National Bank	Madera, Pa.	3

DISTRICT No. 4. Shares.

Peoples National Bank	Greenfield, Ohio.	12
Farmers National Bank	Arcanum, Ohio	2
First National Bank	Carey, Ohio	2
Second National Bank	Lexington, Ky.	5

DISTRICT No. 5.

First National Bank	Oakland, Md.	1
Elkins National Bank	Elkins, W. Va.	6

DISTRICT NO. 6.

Henderson National Bank	Huntsville, Ala.	3
First National Bank	Ashland, Ala.	18
First National Bank	Manchester, Tenn.	3

DISTRICT No. 7.

Irving Park National Bank	Chicago, Ill.	4
First National Bank	Westfield, Ill.	3
First National Bank	Pocahontas, Iowa	1
First National Bank	Colfax, Iowa	2
First National Bank	Corydon, Iowa	1

DISTRICT No. 11.

Clovis National Bank	Clovis, N. Mex.	1
First National Bank	Winfield, Tex.	3
First National Bank	Ladonia, Tex.	15
First National Bank	Santo, Tex.	1
First National Bank	Ringling, Okla.	13
First National Bank	Broken Bow, Okla.	1

DISTRICT No. 12.

First National Bank	Coalings, Cal.	1
First National Bank	Rexburg, Idaho.	4

The resolutions submitted by certain directors of the Federal Reserve Bank of Richmond, relative to the action of the Board regarding the salary of the Governor of that Bank, were further discussed and on motion referred to Mr. Harding to draft a suitable letter on the subject for official transmission to the Bank and also a letter of explanation to be transmitted to Federal Reserve Agent Ingle.

Mr. Williams presented to the Board correspondence between himself and Federal Reserve Agent J. Z. Miller of Kansas City and Federal Reserve Agent Ingle of Richmond, with respect to the status of the clearing process at the Federal Reserve Bank of Kansas City. On request, the correspondence was read to the Board.

A report from Federal Reserve Agent Ingle with reference to the method of safeguarding and getting access to the cash of the Bank was read to the Board by the Secretary. As no mention was made in the report of the question of storing a considerable part of the gold of the Bank in Washington, said gold to be replaced by order certificates, it was voted that Mr. Harding take up this question with Federal Reserve Agent Ingle.

A formal monthly report from the Federal Reserve

Bank of Boston was presented to the Board and referred to the member in charge of the Boston district (Mr. Warburg).

A report of the Special committee, (Mr. Delano and Mr. Harding) with reference to the present method of receiving, counting and issuing Federal reserve notes, was read to the Board. On motion, that part of the report relating to salaries was separately considered by the Board, the recommendations for increases being as follows:

Laurence W. DeMotte, from clerk at \$1,200 to senior vault clerk at \$1,600.

Julian H. Addison, from vault clerk at \$1,000 to junior vault clerk at \$1,200.

On motion it was voted to approve the action of the Comptroller taken at the end of March in fixing the salaries of the employees named at the figures specified as of April first.

The remainder of the report, relating to the general method of receiving, counting and issuing Federal reserve notes, was referred back to the Committee on Staff and Organization by which it was prepared, for further consultation with the Comptroller of the Currency.

A letter from Federal Reserve Agent Jay relative

to the bookkeeping and record operations involved in the substitution of gold for rediscounts with Federal reserve agents, was presented to the Board by the Secretary and referred to Mr. Delano.

A letter from Senator Henry F. Hollis, recommending the use of a blue seal instead of the present red seal on Federal Reserve notes, was read to the Board, and on motion the Secretary was directed to obtain the views of Assistant Secretary Malburn with reference thereto and report the same back to the Board.

A plan proposed by Federal reserve agent Wills of Cleveland, regarding a method of disposing of Federal reserve notes unfit for circulation was read to the Board and on motion referred to the Chairman of the Committee on Issue and Redemption.

Letters of the Counsel of the Board addressed to the Acting Governor of the Board with reference to the conditions of issue of Federal reserve bank notes, were read and after discussion of the question of converting 2% securities into 3's, it was voted that the sense of the Board is that conversion may take place at any time from now onward, but that the actual securities bearing 3% cannot be issued until after July 1, 1915, owing to

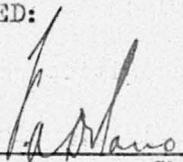
the lack of an available appropriation for preparing them prior to that date. It was voted to remind Federal Reserve Banks that when conversion of 2% into 3% securities is at any time made, the power of taking out circulation on such securities cannot again be regained.

Mr. Warburg read to the Board a letter from Federal Reserve Agent Jay with reference to the attitude of the Board of Directors of the Federal Reserve Bank of New York regarding the membership of State banks in the Federal Reserve system.

Mr. Harding presented and read to the Board the draft of a proposed circular relating to the enforcement of Section 19 of the Act, in so far as relates to the continued transaction of banking business by member banks whose reserves are below the required figure.

After general discussion of various pending matters the Board adjourned to meet at 11.00 a. m. on Wednesday, April 7th.

APPROVED:



Chairman.

  
Secretary.

Secretary.