At an adjourned meeting of the Federal Reserve Board held in the office of the Board at 3.00 p. m. on Thursday, May 20,

PRESENT:

Mr. Hamlin, presiding, Mr. Warburg

Mr. Delano       Mr. Miller

Mr. Willis, Secretary.

The minutes of the meeting of Friday, May 14, and Saturday, May 15, were read and approved.

On motion applications for Federal reserve notes, duly recommended by the Committee on Issue and Redemption, were approved as follows:

For Federal Reserve Bank of Boston, $5,000,000 in denominations as follows:

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>$2</td>
<td>$2,520,000</td>
</tr>
<tr>
<td>$5</td>
<td>$480,000</td>
</tr>
</tbody>
</table>

For the Federal Reserve Bank of Chicago, $5,000,000 in denominations as follows:

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

For the Federal Reserve Bank of Dallas, $1,000,000 in denominations as follows:

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10</td>
<td>$360,000</td>
</tr>
<tr>
<td>$20</td>
<td>$400,000</td>
</tr>
</tbody>
</table>
For the Federal Reserve Bank of Dallas, $1,500,000 in denominations as follows:

- $5 denomination: $420,000
- " 10: $480,000
- " 20: $400,000
- " 50: $200,000

For the Federal Reserve Bank of Atlanta, $1,000,000 in denominations as follows:

- $5 denomination: $400,000
- " 10: $600,000

Mr. Miller presented to the Board the question of the form and signature on Federal reserve bank notes, calling attention to the fact that as half of the notes had already been printed it was not thought advisable to make any change therein.

Applications for power to exercise the functions of trustee, executor, etc., were ordered transmitted direct to the office of the Comptroller of the Currency for preliminary examination and report to Mr. Harding.

Applications for new stock and for the surrender of old stock in Federal reserve banks were presented to the Board, and by order referred to Mr. Harding for report.

A recommendation that the First National Bank of Como, Texas, be permitted to reduce its capital stock in the sum of $15,000 duly recommended by the Comptroller of the Cur-
rency, and approved by Federal Reserve Agent Tenison by wire, was, on motion, voted.

The minutes of the recent conference between a committee of Governors of reserve banks and a committee of the Federal Reserve Board, relative to the establishment of the Gold Settlement Fund, previously referred to Mr. Warburg and reported by him, were approved as corrected and ordered entered.

The minutes of the last meeting of the Executive Committee of the Board, action on which had previously been taken by the Board, were given formal approval and ordered entered.

The Secretary of the Board presented the form of an announcement to be printed in the forthcoming issue of the Bulletin relative to the subscription price of the publication. The text of the announcement was approved and authorized.

A discussion of plans for the approaching Pan-American Conference ensued, and the Governor of the Board reported what had been done, and what was proposed by the Secretary of the Treasury on that subject. After a general discussion of the entertainment of delegates, the Governor of the Board and Mr. Delano were named as a special sub-
committee to take charge of plans.

Regulations for the admission of State banks to the Federal Reserve system were discussed, and, on motion, tentatively adopted. The Secretary of the Board was directed to have a fresh copy made and mimeographed.

The Secretary of the Board presented a collection of opinions of Counsel asking that they be released and their publication authorized. On motion the aforesaid opinions were referred to the Governor and Mr. Warburg for examination and report as to their release.

The question of entering decrees in the redistricting cases was taken up, and after discussion it was voted that separate decrees be entered, one for each petition, and that these decrees be submitted to the Board for entry as soon as possible.

On motion a decision with reference to the transfer of certain counties in Oklahoma which had protested against the decision of the Board, was laid on the table until the return of Mr. Harding.

The Secretary of the Board presented the report of the Chief of the Division of Audit and Examination regarding the condition of the Federal Reserve Bank of Philadelphia. On motion this report was referred to Mr. Warburg for transmission to the Committee on Issue and Redemption.
On motion a letter from Federal Reserve Agent Wills relative to the granting of trustee and executor powers in Kentucky, was ordered referred to Counsel for the preparation of a reply.

The Secretary of the Board presented a number of letters relating to methods to be pursued in cases of banks applying for power to reduce their capital stock. On motion these letters were referred to Mr. Harding for examination and report.

The Secretary of the Board presented a number of letters relating to the establishment of a ten or fifteen day discount rate. On motion these letters were referred to Mr. Warburg for report.

The Secretary of the Board presented a number of letters relating to the sufficiency of present supplies of Federal reserve notes. On motion these letters were referred to Mr. Delano for report.

The Secretary presented the regular weekly recommendations as to discount rates, noting that the only change definitely asked was the establishment of a rate of 4% for 60-day paper by the Federal Reserve Bank of Minneapolis. On motion the Board voted to approve the following rate for the Federal Reserve Bank of Minneapolis:
The Secretary of the Board presented a letter from Governor Sawyer of the Federal Reserve Bank of Kansas City relative to the use of the term "Federal" in the title of State banking institutions. The communication was read and laid on the table.

The Secretary of the Board presented a reported interview with the Governor of the Board in a New York newspaper, calling attention to the fact that examination of the Board's records as to acceptances as reported to it showed that none were made for the financing of munitions of war.

The Secretary of the Board having raised the question whether the local G. A. R. Organization should be allowed to solicit contributions from the staff of the Board was directed to return a courteous reply to the effect that the Board felt that it must adhere to its invariable rule against such solicitations.

On motion the opinion of Counsel relative to the eligibility of Massachusetts town notes for purchase by the Federal Reserve Bank of Boston was approved and the Federal Reserve Bank of Boston authorized to purchase the notes at its discretion in view of the especially favorable reports concerning their character that have been received.
On motion the Federal Reserve Bank of Boston was authorized to purchase the whole of the loan of Merrimac County, N. H. amounting to $10,000, due in six months instead of 25% of the loan as provided by the regulations of the Board, the action being an exception due to the special status of the case.

The Secretary of the Board presented the question of the employment of an additional stenographer in the office of Counsel of the Board, accompanied by a tentative recommendation of the Committee on Staff. On motion the subject was referred back to the Committee on Staff for further inquiry.

On motion, a request from Federal Reserve Agent Jay for an annual certificate by the Federal Reserve Board that the accounts of the bank of New York have been examined, the same to be used in connection with a guaranty excess bond to protect the bank, was approved.

On motion the request of Federal Reserve Agent Jay for approval of action on his part in transferring $29,000,000 of gold order certificates held by him as Federal Reserve Agent to the new vault in the New York Clearing House for safekeeping was approved, such approval to hold good until the Federal Reserve Bank of New York has
provided itself with a suitable vault.

The Secretary of the Board presented the question of the establishment of a standard expense form to be used by reserve banks in reporting their earnings and expenses as of July 1st. On motion the subject was referred to Mr. Delano with the aid of Mr. Broderick and Mr. Jacobson.

On motion the probationary appointment of Edward L. Smead as a clerk in the Division of Reports and Statistics at a salary of $1,200, per annum was approved.

A draft of a letter prepared by Counsel relative to the applications of certain banks in Connecticut for transfer from Federal Reserve District Number 1 to Federal Reserve District Number 2 was read to the Board, and after discussion ordered transmitted in a form so revised as to avoid any curtailment of the Board's power of review in redistricting.

A letter from Secretary J. F. Curtis of the Federal Reserve Bank of New York relative to the classing of purchases of Government bonds made prior to December 23, 1915 as a part of the allotment of such bonds to banks having been read, the Secretary was directed to send Mr. Curtis the Counsel's opinion on the same subject and to give him the information
already previously conveyed to Federal Reserve Agent Perrin.

A letter to Samuel Lazarus of St. Louis in reply to certain inquiries presented by him to Senator W. J. Stone was ordered approved and sent.

In answer to an inquiry from Federal Reserve Agent Austin as to whether it would be well to defer the grouping of banks in the Philadelphia district for the election of directors, it was voted that Mr. Austin be advised to defer such regrouping until next Autumn.

An inquiry from Federal Reserve Agent Austin as to whether the New Jersey banks in the territory transferred to the New York district ought in each case to pass formal resolutions for the surrender of their stock in the Philadelphia Bank, was ordered laid on the table pending advice from Counsel.

Resolutions received from the Federal Reserve Bank of Atlanta relative to the method of determining the expenses of Directors in that institution were referred to Mr. Harding for consideration and report.

A letter from Governor Strong of the Federal Reserve Bank of New York, relative to the retention of balances by the Federal Reserve Bank of New York in favor of sundry other Federal reserve banks for exchange purposes, was ordered laid on
the table until the return of Mr. Harding.

A letter from the First National Bank of San Diego, California, making inquiry whether the Federal Reserve Board would provide counsel and join it in a test case to determine the rights of National banks to establish savings deposits in California was ordered referred to Counsel of the Board for advice.

The question of settling with the Government Printing Office for the Index-Digest of the Federal Reserve Act was referred with accompanying papers to Mr. Delano for further action.

A number of letters received by the Secretary of the Board relative to the making of careful maps of the several Federal reserve districts were referred to Mr. Delano.

An opinion received from Counsel with reference to relations between Federal reserve banks and member national banks possessing branches, was referred to Mr. Warburg and Mr. Harding.

Mr. Miller read to the Board a draft of a letter prepared by him to be sent to Federal Reserve Agent Martin with respect to renewal paper. The letter was discussed and authorized.

On motion, at 6:40 p. m. the Board adjourned to
meet at 11.00 a.m. on Friday, May 21.

APPROVED:

[Signature]
Chairman.