

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Comptroller of the Currency on Friday, June 18, at 2.30 p. m.

## PRESENT:

Mr. Delano, presiding      Mr. Warburg  
Mr. Williams                Mr. Willis, Secretary.

Mr. Delano presented to the Committee a report of the result of a meeting held this morning between the Counsel of the Board and Mr. Curtis, Secretary and Counsel for the Federal Reserve Bank of New York, representing also the Federal Reserve Bank of Philadelphia, relative to the final adjustment of the plan tentatively agreed upon by the Federal Reserve Banks of Philadelphia and New York, for adjustment of accounts between them growing out of the recent transfer of banks to the New York District by order of the Federal Reserve Board. From the report thus presented it appeared that Counsel for the Federal Reserve Board had submitted a plan of adjustment, making the following recommendations:

- (1) That the forms of application for surrender of stock in the Federal Reserve Bank of Philadelphia, and for subscription to stock in the Federal Reserve Bank of New York, be approved.
- (2) That a joint letter to be sent out by the two banks affected, be approved with a suggested amendment.

- (3) That the adjustment of any claim that the Federal Reserve Bank of Philadelphia may have against the Federal Reserve Bank of New York on account of these transfers be treated as an independent question and that Counsel for the respective Federal Reserve Banks be requested to submit for the Board's consideration opinions dealing with the right of the directors and officers of the banks in question to consummate the tentative agreement submitted.

The amendment to the joint letter suggested by Counsel to the Board was to the effect that in lieu of the assumption by the Federal Reserve Bank of New York of the accrued dividends on cash paid subscriptions by certain member banks to the Federal Reserve Bank of Philadelphia, the Federal Reserve Bank of Philadelphia should issue an accrued dividend certificate payable to such member banks when like dividends are paid to other stockholders.

The Board having heretofore approved the forms referred to, in accordance with recommendation of its Counsel, after a general discussion it was -

RESOLVED:

- (1) That the Federal Reserve Banks of New York and Philadelphia be authorized to proceed at once to arrange for the surrender of stock now held by member banks in northern New Jersey in the Federal Reserve Bank of Philadelphia, and for subscription to stock by such banks in the Federal Reserve Bank of New York, using the forms of application heretofore approved.
- (2) That joint letter submitted be amended by striking out that part which relates to the assumption of liability for accrued dividends by the Federal Reserve Bank of New York, and in lieu thereof a provision be embodied to the effect that upon the final adjustment of accounts as between the Federal Reserve Bank of New York and the Federal Reserve Bank of Philadelphia, an accrued dividend certificate will be issued either by the Federal Reserve Bank of New York or the Federal Reserve Bank of Philadelphia, to the member banks transferred, when this matter has been fully considered and determined by the Federal Reserve Board.

- (-3) That consideration of the question of payment of any part of the organization or current expenses of the Federal Reserve Bank of Philadelphia by the Federal Reserve Bank of New York be deferred for a later adjustment, together with any other questions involved in adjustment of accounts as between the two Federal Reserve Banks.

On motion it was ordered that instructions be sent to other banks affected by the re-districting decisions in accordance with the plan thus developed for the banks of New York and Philadelphia.

Mr. Delano presented a request from the Federal Reserve Bank of Dallas for withdrawal of \$10,000 from the balance of that bank in the Gold Settlement Fund, the same to be deposited with the Treasurer of the United States for the account of the five per cent redemption fund.

After discussion it was voted that the Federal Reserve Bank of Dallas be notified to transmit to the Federal Reserve Board a resolution of its board authorizing the Reserve Board to make transfers of the kind referred to, which

step having been taken, there should, in the future, be transferred, upon order of the Federal Reserve Bank of Dallas, such sums as might be desired provided, that they were in multiples of \$10,000. It was further suggested that the Dallas bank be informed that it was preferred to make these transfers on the regular settling day of each week, unless in case of some emergency.

A telegram from Federal Reserve Agent Jay of New York, with reference to the purchase of small municipal notes, was referred to Mr. Warburg.

On motion at 3:00 p. m., the Committee adjourned.

H. Parker Willis  
Secretary.

APPROVED:

W. H. C. Adams  
Chairman.