

Minutes of the meeting of the Executive Committee of the Federal Reserve Board, held in the office of the Governor of the Board at 10:00 A. M., Tuesday, September 5th, 1916,

PRESENT:

Governor Harding, presiding,

Mr. Warburg,

Mr. Miller,

Mr. Allen, Secretary,

Governor Harding reported that the President had been requested to delay signing the Act containing the amendments recently passed to the Federal Reserve Act, and that in the meantime Representative Class would attempt to have correction made.

A letter was presented from the Governor of the Federal Reserve Bank of Kansas City, stating the desire of that bank to convert \$411,000 of 2% bonds into 3% bonds and notes, and expressing the willingness of the bank to take \$356,000 in addition to their quota, should this amount be

allotted to them by the Board. This letter was referred to the Governor for reply.

Governor Harding presented a letter from the Governor of the Federal Reserve Bank of Dallas, stating the proposal of that bank to sell to the Federal Reserve Bank of Chicago \$500,000 3% bonds and \$500,000 3% notes, with an agreement to repurchase, with interest, January 1st. The Governor was authorized to approve this proposal and to write to the Federal Reserve Banks of Dallas and Chicago as to the arrangement of details of the transaction.

A letter forwarded by the Governor of the Federal Reserve Bank of Atlanta, written by the First National Bank of Thompson, Ga., with reply, was referred to the Clearing Committee with power.

A letter stating that H. Stuart Hotchkiss of New Haven, Conn., a Director of the Chatham & Phenix National Bank of New York City, and two others, is now in the far East and cannot file his

application under the Clayton Act until about November 1st, was presented and the delay approved by the Committee.

A memorandum from Mr. Delano, Chairman of the Committee on Organization, Expenditures and Staff, approving the writing of group insurance for employees of the Federal Reserve Board, and suggesting that new bids be obtained from life insurance companies, and that the Counsel for the Board draft a form of resolution covering the matter, was approved by the Committee.

A letter was read from the Governor of the Federal Reserve Bank of Boston stating the willingness of that bank to participate in rediscounts for the Federal Reserve Bank of Dallas to the amount of five million dollars.

The Committee authorized one day additional leave to John DeHaven in compensation for his attendance at the Department in connection with the work of the Board on Labor Day, a legal holiday.

The following resolution was approved  
by the Board:

RESOLVED: That Mr. H. Rozier Dulany, Jr., be authorized, empowered and directed to turn over to Mr. Ray M. Gidney the combination which Mr. Dulany now holds to the vault in which are placed the gold order certificates making up the Gold Settlement and Federal Reserve Agents' Funds, and  
BE IT FURTHER RESOLVED: That Mr. J. A. Broderick be requested to check the contents of the safe when this transfer is made.

Mr. Warburg suggested as a topic for the next conference of Governors, the desirability of having one of the two men holding the combinations to the safe in which the Gold Settlement and Federal Reserve Agents' funds are kept, do so as a representative of the Agents and of the Federal Reserve Banks.

A memorandum from Mr. Delano was presented in which it was suggested that care be taken to send copies of letters written to Agents, to the bank, and copies of letters written to the banks, to the Agents.

A telegram was read from the Temple State Bank of Temple, Texas, to the Secretary of the Treasury, urging that he oppose the appeal of that part of the Federal Reserve Act requiring banks to par customers' checks.

Further consideration was given to the complaint that the Kansas City Clearing House fixes a minimum interest rate of 2%, but no action taken.

Secretary presented the reports of examination of the accounts of the Federal Reserve Agents at Chicago and Kansas City, and the report of the examination of the Federal Reserve Bank of Chicago. These were ordered referred to the two committees.

Mr. Warburg suggested this additional topic for the meeting of the Federal Advisory Council.

"How can we further the entrance of State banks into the Federal Reserve System, and what should be done along this line?"

*Sheeran Allen*  
Secretary.

APPROVED:  
*Warburg*  
Chairman.