

At a regular meeting of the Federal Reserve Board held in the office of the Governor on Monday, February 19, 1917, at 11 a.m.,

PRESENT:

- Mr. Harding, presiding,
- Mr. Miller,
- Mr. Warburg,
- Mr. Willis, Secretary.
- Mr. Hamlin,

The minutes of the meeting held on Friday, February 16th, were read and on motion approved.

A letter from the Secretary of the Treasury calling attention to the approaching date of maturity of one year Treasury notes amounting in the aggregate to \$4,390,000, now held by Federal reserve banks, and the reply of the Governor to that letter were read, and the matter was referred to the Executive Committee with power to arrange a method and basis upon which settlement should be made for the repurchase of an equal amount of one year notes as required by law.

A letter from the Comptroller of the Currency with reference to the method to be adopted in paying assessments upon national banks covering the cost of examinations and

submitting a plan for a change in that method was received and, on motion, referred to the Executive Committee with power to act.

An application of the Greensboro National Bank, of Greensboro, Ga., for power to reduce its capital stock from \$50,000 to \$25,000, duly recommended by the Comptroller of the Currency, was approved.

A letter from the Chinese-American Produce Exchange Company with reference to the question of direct exchange relations with China was read to the Board, noted, and ordered passed to file.

A letter from Federal Reserve Agent Curtiss acknowledging receipt of a letter from the Federal Reserve Board with reference to the tax situation in Maine was read and noted, and ordered passed to file.

Certain correspondence with Federal Reserve Agent Heath of Chicago relative to a delay said to have occurred in connection with a recent telegram signed by Mr. Heath under date of February 15th, asking the release of Federal reserve notes, and received by the Board on February 16th, was read. The question of existing methods

of dealing with Federal reserve notes was discussed, and, on motion, the following action was taken:

Voted: That henceforward every telegram received from a Federal Reserve Agent making application for Federal reserve notes shall be at once acknowledged by the Secretary's office telegraphically.

Voted: That all note issue, transmission and printing, applications shall henceforward go direct to the Executive Committee instead of to the Committee on Issue and Redemption for approval.

Voted: That all note applications shall be given a preferred position on the morning docket at Board meetings, and shall be immediately disposed of.

Voted: That the Comptroller of the Currency shall be notified of the Board's desire for the release of notes to Federal reserve agents, the transmission of notes to Sub-treasuries or the printing of new notes, by a communication to be sent either by the Governor, the Vice Governor or the acting executive officer of the Board in charge at the time, the details of such notification and the method of securing the immediate release of notes to be arranged between the

Governor and the Comptroller of the Currency.

Mr. Hamlin gave notice that at the proper time he would move to amend the by-laws of the Board with reference to the control of note issues in such a way as to make due provision in the by-laws for the change in practice last above mentioned.

Applications for the issue of Federal reserve notes were approved as follows:

Federal Reserve Bank of New York:

20's	\$6,400,000
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Federal Reserve Bank of Philadelphia:

10's	1,000,000
20's	3,040,000

the aforesaid notes having already been shipped on February 19th.

A report of the Committee on Discounts and Acceptances recommending that member banks be authorized to accept drafts drawn in Columbia was presented to the Board, and on motion approved.

An application from Federal Reserve Agent Rich for the issue of Federal reserve notes in denominations as fol-

lows was approved::

5's	\$1,000,000
10's	1,080,000
20's	320,000
50's	200,000
100's	400,000

A letter from Federal Reserve Agent Wellborn reporting upon a visit of inspection made to the New Orleans branch was received,, read, noted and ordered passed to file.

On motion it was voted that the Executive Committee be authorized to transmit at its discretion a letter to Federal reserve banks with reference to their general policy for the immediate future in connection with the purchase of warrants..

On motion, at 12.20 p.m.. the Board adjourned..

*H. H. Williams*  
Secretary.

APPROVED:

*[Signature]*  
Chairman.

