

At a regular meeting of the Federal Reserve Board on Friday, February 23, 1917,

PRESENT:

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

The minutes of the meeting of the Board held on Wednesday, February 21, were read and on motion approved..

The following resolution having been presented was on motion adopted:

RESOLVED: That whenever the Federal Reserve Board shall vote to request a member to accept an invitation to address any organization or meeting on behalf of the Board or shall otherwise officially authorize a journey on its behalf the expenses of such journey shall be charged to and paid by the Board subject to the usual rules and regulations governing such expenditure..

A letter from Federal Reserve Agent Martin regarding the maintenance of the proper sequence in the serial numbers of Federal Reserve notes so as to allow for storage in Sub-treasuries without interfering with such sequence under the rules of the Board was read and referred to the Executive Committee with power to act.

Report of an audit of the accounts of the Federal

Reserve Agent at San Francisco was referred to the Committee on Operation of the Federal Reserve Bank of San Francisco.

A letter from Governor McCord of Atlanta with reference to a special form of trade acceptance offered him was referred to the Committee on Discounts.

A letter from Governor Wells of St. Louis with reference to the balance of his bank in the Gold Settlement Fund was noted and passed to file.

An application from the Federal Reserve Agent at New York for \$6,600,000 of Federal Reserve notes of the fifty dollar denomination was read and on motion approved, action thereon already having been taken by the Executive Committee under the new regulations of the Board relating to the issue of notes.

A memorandum from Mr. Warburg with reference to a directorship in the Garfield National Bank and the Mutual Bank, both of New York City, was, on motion, referred to the Committee on Clayton Act for report.

A memorandum of Counsel with reference to the establishment of the proposed Bank of Kansas was read and

passed to file.

A letter from Federal Reserve Agent Perrin proposing a plan for the deposit of Federal reserve notes in Sub-treasuries was read and the question of the present quarters occupied by the Federal Reserve Bank of San Francisco as well as the adequacy of the vaults at that institution was given general discussion. On motion both subjects were referred jointly to a special committee consisting of the Chairman of the Committee on Operation of the Federal Reserve Bank of San Francisco (Mr. Miller) and to the Chairman of the Committee on Relations with the Treasury Department (Mr. Hamlin).

The Secretary read a telegram from Chief of Division Broderick announcing the completion of the examination of the Federal Reserve Bank of Dallas.

Governor Harding read a letter from Governor McDougal of Chicago with reference to the discounting of member bank paper technically in excess of the limitation of 10 percent of capital and surplus. The matter was referred to the Committee on Law.

Governor Harding read a letter from the Federal

Reserve Bank of Cleveland relative to the recent forgery which resulted in the loss of \$2,000. at the Federal Reserve Bank of Philadelphia. He also presented various other letters from Federal Reserve Banks on the same subject. It appeared that of the eleven banks nine probably would not have been subjected to similar loss while two might have been.

Governor Harding read a letter from Federal Reserve Agent Ramsey regarding the enlargement of the clearing system pointing out that further active measures were needed including the re-establishment of the post office collection order.

Governor Harding read a letter from Governor Wells of St. Louis with reference to the proposed loan of Transit Manager Attebery to the Board. The letter was referred to Mr. Delano.

Governor Harding read a letter from the Comptroller of the Currency suggesting the elimination of the present charges made by Federal Reserve Banks for items of checks cleared. The matter was discussed and it was informally agreed that the broadening of the scope of the present collection system rather than the abolition of the charge

would naturally be the next step forward.

Mr. Warburg moved that henceforward the record of amendments of the Federal Reserve Act, now maintained in the office of the Secretary of the Board, be kept by Counsel, the Secretary to forward to Counsel all references or matters relating to such amendments, especially such as develop in meetings of the Board. The motion was discussed and referred to the Executive Committee.

Governor Harding presented a letter from the Comptroller of the Currency with reference to the docketing of Committee reports with suggestion that all such reports should be docketed and notice thereof given at least thirty minutes before the meeting at which they are to be considered. The letter was referred to the Executive Committee for report.

Upon the recommendation of the Secretary of the Board it was ordered that the minutes of the Committee on the Clayton Act be bound and indexed in an individual volume separate from the general minutes of the Board.

On motion at 12.23 p.m. the Board adjourned to meet on Monday, February 26, at 11.00 a.m.

APPROVED
Harding
Chairman.

A. Parker Willis
Secretary.