

At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, April 16, at 11 a. m.,

PRESENT:

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

The minutes of the meeting of the Executive Committee held on April 13 were read and, on motion, approved and the action therein set forth ratified.

Governor Harding stated the situation with reference to a proposed guarantee of deposits provision for which had been recently brought forward in the Senate as an amendment to the proposed bill amending the Federal Reserve Act. Discussion ensued, and, on motion, the matter was referred to the Executive Committee for the formulation of a report to the Board.

The Secretary of the Board presented for ratification a summary of note issues authorized by the Executive Committee, under the regulations of the Board, as follows:

F. R. Bank	5's	10's	20's	50's	100's
Minneapolis:					
(Shipment)	\$160,000	\$600,000	\$540,000	\$200,000	\$400,000
New York:					
(Shipment)	1,000,000		2,000,000	1,000,000	2,400,000
Chicago:					
(Release)			1,040,000		
"			960,000		
"		960,000		800,000	
Philadelphia:					
(Shipment)			2,000,000	400,000	
St. Louis:					
(Release)				400,000	400,000
Cleveland:					
(Shipment)	540,000	1,200,000	800,000	200,000	

The note issues thus authorized were, on motion, formally approved.

Governor Harding reported that Governor J. Z. Miller of Kansas City had informed him that the Commerce Trust Company of Kansas City which was contemplating making application for admission to the System, did not care to have a special examination, but would wait and be examined in the regular course of events. He also stated that Chief Examiner Broderick who had returned to the city, advised against a special examination.

Governor Harding presented a letter written by former

Governor E. C. Stokes of New Jersey, now president of the Mechanics National Bank of Trenton, addressed to the Comptroller of the Currency. This letter had been referred by the Comptroller to the Secretary of the Treasury, and by the latter to Governor Harding. In it the writer (former Governor Stokes) suggested that the bonds issued under the new Government loan, should be endowed with the circulation privilege. Governor Harding also read a note written by the Comptroller of the Currency to the Secretary of the Treasury stating that under certain conditions he believed the bonds should have this privilege, and also a letter written by himself (Governor Harding) to the Secretary of the Treasury in which he (Governor Harding) expressed the view that it would be most unwise to give this circulation privilege to any of the new bonds. Discussion of the matter ensued, and the Board unanimously agreed with the view expressed in Governor Harding's letter addressed to the Secretary of the Treasury, requesting him to add a postscript to that effect, and ordering the action taken recorded in the minutes.

Governor Harding read a letter addressed to Senator

Page with reference to Section 3 of Senate Bill No. 8 re-

lating to the power of State banks to carry balances in Federal reserve banks and to clear checks through them, in which he set forth that the authority therein granted was purely voluntary, there being no compulsion upon the State banks under the provisions of the proposed legislation.

The Secretary of the Board presented a draft of a letter addressed to the Comptroller of the Currency authorizing the shipment of additional notes to subtreasuries to make up deficiencies in allotments, and to be held in stock there as follows:

Chicago:

100's \$400,000

St. Louis:

10's \$ 80,000

Minneapolis: (to be held in stock at the subtreasury in Chicago)

10's \$ 40,000

50's 200,000

100's 400,000

Total \$640,000

Dallas: (to be held in stock at the Subtreasury in St. Louis)

10's \$ 40,000

On motion the letter was approved for transmission to the Comptroller of the Currency.

A letter from Federal Reserve Agent Wills with reference to proposed changes in the method of reporting certain items in the form giving the condition of member banks and in making reports to the Comptroller of the Currency, was read (letter dated April 14). After discussion the Secretary of the Board was directed to write Mr. Wills to the effect that the Board was indisposed to make the recommendation suggested by him.

A letter from the Comptroller of the Currency addressed to Governor Harding and transmitting a form of circular proposed by him to be sent to member banks, with reference to the mode of reporting their reserves, was read aloud, and after discussion referred to the Governor with power to act, the attitude of the Board, however, being adverse to the transmission of the proposed circular.

A letter from Federal Reserve Agent Wellborn suggesting the calling of a press conference for the purpose of popularizing the Federal reserve system, was read and noted.

The Secretary of the Board read a letter from Messrs.

Bernhard, Scholle & Co. with reference to a proposed change in the mode of making bankers' domestic acceptances. The letter was referred to the Committee on Investments.

A letter from Governor Aiken with reference to the savings bank situation in Massachusetts as affected by the tax exemption of U. S. Bonds, was read and referred to Mr. Hamlin.

A letter from Governor Seay with reference to various details of the method of issuing the proposed Government loan, was read and ordered circulated.

A letter from Mr. E. M. Pringle with reference to the question whether Federal reserve banks could act as custodians of security protecting deposits of member banks, and opinion of Counsel thereon, was read and, on motion, referred to the Committee on Law for report.

A letter from Federal Reserve Agent Martin of St. Louis with reference to the status of the St. Louis Union Bank as a member of the Federal Reserve System, was read and noted.

A letter from the Northern Trust Company of Chicago with reference to its status under the Clayton Act should it become a member of the Federal Reserve System, was referred to the Committee on Clayton Act.

The question of the method of reporting renewal acceptances was reported upon by Mr. Warburg, who recommended that the renewal acceptances should be reported by mail bi-weekly. On motion the report was agreed to.

A report of Mr. Warburg with reference to the insertion of a provision imposing taxes on State bank checks, in legislation now pending in the House, was read and noted.

Mr. Delano called attention to the fact that the present assistant to the Federal reserve agent at Kansas City had recently surrendered his connection with certain non-member banks as the result of suggestions originating with the Board, and suggested that his salary be advanced from \$2700 to \$3000 per annum. On motion the matter was referred to the Committee on Staff for recommendation.

The Secretary of the Board read a letter from Governor Fancher addressed to Mr. Hamlin opposing the idea of a stamp tax on bank checks as a means of raising revenue. The letter was noted.

On motion the report of the examination of the Federal Reserve Bank of Boston submitted by Chief Examiner David Broderick, was referred to the Committee on Operation of

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the Federal Reserve Bank of Boston.

Informal discussion with reference to plans for handling the new Government loan ensued.

Governor Harding called attention to the fact that the Federal Advisory Council would meet in the Board Room on Tuesday, April 17, at 10.30 a.m.

On motion at 1.03 p. m. the Board adjourned, to meet on Wednesday, April 18, at eleven a.m.

APPROVED:

Harding
Chairman.

A. P. Perkins
Secretary.