

At a meeting of the Federal Reserve Board held in the office of the Governor at 1.10 p.m. on Saturday, May 12,

PRESENT:

Mr. Harding, presiding,

Mr. Hamlin,

Mr. Delano,

Mr. Allen, Assistant
Secretary.

Mr. Miller,

Letters carrying into effect the action of the Executive Committee at a meeting this day postponing the going into use of exchange drafts between Federal Reserve Banks from May 21 to June 1 were on motion of Mr. Miller formally approved by the Board.

Governor Harding read letters from Mr. P. W.

Goebel, President, American Bankers Association, and J.H. Puelicher, President, State Bank Section, American Bankers Association, communicating a resolution of the Executive Committee of the State Bank Section adopted on May 7, 1917, at Briarcliffe, Scarborough, N. Y., relative to state banks and the Federal Reserve System. These were ordered spread upon the records of the Board, and referred to the Committee on the Bulletin for such use as might seem to the Committee desirable.

The letters referred to are as follows:

"May 11, 1917.

Hon. W. P. G. Harding,
Governor Federal Reserve Board,
Washington, D. C.

My dear Governor:

I am glad that Mr. J. H. Puelicher, the President of the State Bank Section of the American Bankers Association, has communicated to you resolution passed by his Section at the recent meeting at Briarcliffe, N. Y. It was very enthusiastically received by the Executive Council of the Association, and I believe that when the amendments referred to have been enacted into law, you will see a large number of state banks making application for admission into the Federal Reserve System. I personally believe that state banks entering the Federal Reserve System are performing a patriotic duty to the country.

Very truly yours,
(Sgd.) P. W. Goebel,
President, American Bankers Association."

"May 11, 1917.

"Hon. W. P. G. Harding,
Governor Federal Reserve Board,
Washington, D. C.

Dear Sir:

The following resolutions were unanimously passed by the Executive Committee of the State Bank Section of the American Bankers Association at its meeting held at Briarcliffe, Scarborough, N.Y., Monday, May 7, 1917, viz:

"WHEREAS the amendments to the Federal Reserve Act covered in bill S. 1796 and its accompanying changes as further amended by this Committee in conjunction with Governor Harding and Mr. Delano of the Federal Reserve Board, successfully eliminated most of the principal objections to the

Federal Reserve System made to this Committee by the State Banks of the United States in answer to its questionnaire; therefore be it

RESOLVED that this Committee recommend to the State Banks of the United States that they consider carefully the Federal Reserve Act and its amendments after the amended bill referred to has become law, with the thought of joining the system (if they feel warranted in doing so) in order to strengthen the banking power of the United States of which they are so important a part."

"It gives me pleasure to transmit these resolutions to you, as they indicate that those representing the State Bank Section consider the amendments recommended by your Board covering the admission of state banks, as equitable, and if enacted into law, together with the suggestions of the American Bankers Association Committee of twenty-five appointed for the purpose of adjusting the existing differences in relation to exchange charges, should tend to bring many of the state banks into the Federal Reserve System, thus making the banking system of the United States, to that extent, a more unified one, and consequently a more powerful one.

Very sincerely yours,
(Sgd.) J. H. Puelicher,
President, State Bank Section
American Bankers Association."

The minutes of the meeting of the Committee on the Clayton Act held in the office of Mr. Hamlin at 3 p.m. May 11, 1917, received the approval of the Board and the action therein was made the action of the Board.

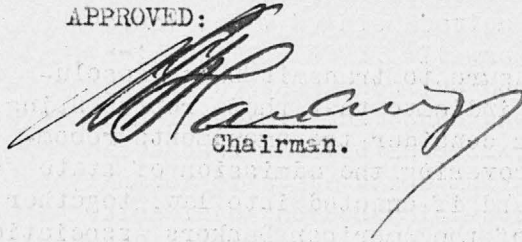
Governor Harding read a letter from the Secretary of the Treasury, suggesting that he direct having made a

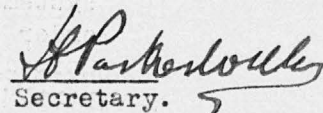
stamp containing the words "Your Patriotic Duty -- Buy a Liberty Loan Bond," and that this stamp be placed upon

all outgoing letters. This letter was referred to the Committee on Bulletin for a recommendation to the Board.

At 1.15 the Board adjourned.

APPROVED:


Chairman.


Secretary.