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X-1873 CAL AGENT  
ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD  
WASHINGTON

May 24, 1917.

Dear Sir:

The report of the Conference Committee on the amendments to the Federal Reserve Act was not presented to Congress this afternoon as had been expected, owing to an unexpected delay. The situation is understood to be as follows:

1. The revision of the reserve section follows substantially the House draft, copy of which has already been transmitted to you.
2. The section relating to the issue of Federal reserve notes is under discussion.  
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3. The amendments relating to the management of the Gold Settlement Fund and to the status of State bank members of the system have been agreed to in practically the form in which they appear in the Senate bill already in your hands.
4. The Hardwick Amendment is retained but is altered by providing that Federal reserve banks shall not be subject to exchange charges on checks, while the regulation and determination of exchange charges elsewhere is placed within the jurisdiction of the Federal Reserve Board.

I inclose a copy of a statement issued by the Treasury Department under this date with reference to the subscription to the new offering of \$200,000,000 of Treasury certificates.

The Federal Reserve Board has issued a statement with reference to the establishment of a branch of the Federal Reserve Bank of Richmond at Baltimore, as follows:

The Federal Reserve Board has had under consideration the approval of a plan submitted by the Federal Reserve Bank of Richmond to establish a branch in Baltimore. It has informally reached agreement that it will take favorable action upon the proposal, but has deferred formal decision un-

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til such time as it is advised of the action of Congress with reference to the amendments to the Federal Reserve Act now pending before that body, inasmuch as these amendments have a direct bearing upon the case of other cities, the establishment of branches in which is under consideration.

Very truly yours,

Secretary.

Inclosures.