

At a regular meeting of the Federal Reserve Board held in the office of the Board at 3.15 p. m. on Wednesday, June 30

PRESENT:

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

The minutes of preceding meetings were read and approved as follows:

Meeting of Board at 3.00 p. m., June 28
Meeting of Board at 10.30 a. m. June 29

Upon recommendation of Mr. Harding and Mr. Williams the application of the American National Bank of Roanoke, Virginia, for power to exercise the functions of trustee, executor, etc., was approved.

The applications of the following banks for trustee and executor powers were placed on the suspended list:

First National Bank	Newberg, Oreg.
National Copper Bank	Salt Lake City

On motion it was voted that a rate of 3% for 10 day maturities be approved for the Federal Reserve Bank of Boston.

The minutes of a meeting of the Committee on Admission of State Banks held on June 30th and equivalent to a report on the present status of the applications of the Old Colony Trust Company, Hudson Trust Company, and Broadway Trust Company for admission to the Federal Reserve system were read and approved.

A memorandum submitted by Chief of Division Broderick relating to the status of the Northwestern State Bank of Bellingham was approved and a letter ordered sent in accordance therewith.

The Secretary of the Board presented formal papers providing for the transfer of the banks of Sistersville, W. Va. from the Richmond district to the Cleveland district duly certified by Counsel. On motion the papers in the case were approved.

A report prepared by a special committee with reference to the question of acceptances by State member banks, was read to the Board, and, on motion, was recommended (Mr. Warburg and Mr. Delano) for further examination.

Mr. Harding called the attention of the Board to the fact that investigation and inquiry into the general situation in the Southern States with respect to the moving

of the cotton crop would probably necessitate the collection of more information regarding conditions there, and suggested that it would be well to request the officers of the southern reserve banks to make a careful study and report upon the cotton situation in the different centers with a view to affording all possible information regarding the problems affecting the movement of cotton. On motion, Mr. Harding, Mr. Delano or Mr. Warburg (Mr. Warburg acting in the absence of Mr. Delano) were appointed a committee to deal with this situation.

The question of a statement in reply to newspaper reports concerning alleged discussions on the part of the Board with reference to the use of Federal Reserve notes to finance war shipments, was considered, and it was agreed merely to transmit to Governor Strong of the Federal Reserve Bank of New York, a telegram stating what had been orally said to members of the press who had inquired. The Secretary of the Board presented the form of such a telegram, which was approved and ordered transmitted.

On motion it was voted that Mr. Delano be named in place of Mr. Warburg on the Committee on State Banks

during Mr. Warburg's absence from the city, Mr. Harrison of Counsel's office to sit with the Committee upon request.

On motion it was voted that applications for trustee and executor powers be henceforward referred to the Committee on State Banks. It was understood that Chief of Division Broderick would continue to sit with the Committee on State Banks.

The Secretary of the Board presented a report prepared by Chief of Division Broderick relating to the auditing of the Gold Settlement Fund which was read and noted. On motion it was voted that Mr. John De La Mater should act as an alternate or substitute for Mr. Ray M. Gidney with reference to the holding of the combination of lock #2 of the safe holding the gold certificates of the Gold Settlement Fund.

The Secretary of the Board was directed to obtain a safety deposit box in a satisfactory trust company, and place therein copies of the combination of each lock on the aforesaid safe, the key of the box to be deposited with the Governor of the Board.

A draft of a proposed circular relating to trade acceptances, presented by Mr. Warburg, was read

by the Secretary, and after discussion was, on motion, made a special order for the meeting of Thursday, July 1st.)

Mr. Warburg to whom had been referred the opinion of Counsel relating to the conditions governing the reduction of capital stock in Federal reserve banks, for minor revision, reported the opinion in final form, and it was, on motion, released and ordered transmitted.

A letter to Governor McCord of the Federal Reserve Bank of Atlanta, relative to the question whether the Board had ever authorized in any way the making of discounts on demand paper, was approved and ordered transmitted.

The Secretary of the Board read the report of the Committee on Staff relative to a certain petition of the messengers of the Board for higher pay. Discussion ensued, and it was agreed that the rate of pay should be raised to something like a parity with that of the messengers in the Treasury Department. On motion it was voted that from and after July 1, 1915, an increase of \$10 per month each be granted to F. R. Killingsworth, J. DeHaven, H. S. Nicholson, W. T. Fletcher, Thos. L.

Robinson, Carlisle Johnson, and William C. Evans, jr. Mr. Delano, as chairman of the Committee on Staff, was requested to explain the action of the Board to the messengers in question.

Mr. Harding, to whom had been referred the application for the designation of South St. Paul as a reserve city, rendered an adverse report. On motion the same was adopted, and the Secretary directed to so advise the applicant.

A letter from Federal Reserve Agent Perrin relative to the payment of a salary to Deputy Federal Reserve Agent Gatch, was laid on the table.

An opinion of Counsel relative to the endorsement of rediscounts held by Federal reserve agents, was presented by the Secretary of the Board, and on motion, laid on the table.

In reply to a telegram from Federal Reserve Agent Tenison relative to the remitting of the Board's expense assessment, it was voted that remittance be made on the basis of the capitalization according to the new districting.

The Secretary of the Board having presented the question of the adoption of an expense form for use

by Federal reserve banks in reporting, as of July 1, it was voted that the matter be referred to Mr. Delano and Mr. Harding with power to act.

A draft of a report on a plan embodying instructions relative to the circulation of executive correspondence having been presented, was, on motion, adopted as follows:

In order to systemize the circulation of executive correspondence, it is suggested that secretaries furnish Mr. Stuart in the office of the Secretary of the Board, with carbon copies of letters of interest to the members of the Board, such carbons to be attached, whenever possible, to the original letter to which they refer.

The letters will then be placed by Mr. Stuart in the folder containing the executive correspondence. They should not be placed in the folder by members' secretaries when the folder reaches their room. The folder will contain an index of the letters contained therein; and it is suggested that the members of the Board might place their initials on the index, so that by one initial the vise might be secured for the entire correspondence.

Members and their secretaries will kindly not remove letters or copies from the folder. In case they desire to retain for special study certain documents contained in the folder, copies of such documents will be furnished upon request by the Secretary.

Letters from Federal Reserve Agent Perrin and Governor Rhoads inquiring when exchange of 2% for 3% bonds can be made, was laid on the table.

On motion at 5.45 p. m. the Board adjourned
to meet at 11.00 a. m. on Thursday, July 1.

H. Parker Willis
Secretary.

APPROVED:

C. H. Smith
Chairman.