

At a meeting of the Federal Reserve Board held pursuant to adjournment in Room No. 182, Treasury Building, on Monday, August 17, 1914, at 3 p. m.

PRESENT:

Mr. W. G. McAdoo	Mr. W. P. G. Harding
Mr. John Skelton Williams	Mr. Adolph C. Miller
Mr. C. S. Hamlin	Mr. Frederic A. Delano
Mr. Paul M. Warburg	

constituting the full Board.

Mr. W. G. McAdoo, ex-officio Chairman of the Board, acted as Chairman, and Mr. M. C. Elliott as Secretary of the meeting.

The minutes of the last meeting were read and approved as amended.

Mr. Hamlin reported that since the last meeting he had conferred with the Secretary of the Illinois Bankers Association and had discussed fully the possibility of the Federal Reserve Board's attending the celebration arranged for September 1st, at Chicago. It was the understanding of Mr. Hamlin that an effort would be made to postpone the meeting for a period of thirty or sixty days,

but that it was the opinion of the Secretary of the Illinois Bankers Association that this would hardly prove practicable, in view of the preparations already made. After a general discussion he was requested to write to the Illinois Bankers Association on behalf of the Federal Reserve Board that it would be impossible for the Board to attend as a body, and that no definite assurance could be given at this time of the attendance of any of the members of the Board. If, however, it is found at that time that some of the members can, without prejudice to their duties, attend, such as can will endeavor to do so.

The Secretary submitted a tentative plan of procedure for hearing appeals from the decision of the Reserve Bank Organization Committee. After a general discussion he was instructed to revise and re-submit the plan at the next meeting.

The question of the term of office of the Secretary of the Board was discussed, but no official action was taken thereon.

The Chair announced that the position of Secretary had been regularly tendered to Dr. Fine, who re-

requested that the matter be left in abeyance for ten days in order that he might determine whether or not he can arrange to accept it. On motion made and seconded the Chair was authorized to notify Dr. Fine that, agreeable to his request, the offer will be left open for the period suggested.

The Board discussed generally the qualifications of Class "C" directors, with particular reference to what should constitute "tested banking experience" as defined in the Act, but no decision was reached in the matter.

On motion made and seconded Mr. Delano, Mr. Harding, and Mr. Warburg were appointed a committee of three to prepare and submit at a future meeting, regulations and by-laws governing the conditions under which State banks may become members of the Federal reserve system. Mr. Williams was added to this committee later.

In order to expedite the selection of Class "C" directors it was moved, seconded, and adopted that the several districts be apportioned by the Chairman among the members of the Board, and that at a subsequent meeting recommendations be made by the committee as to the proper selection of Class "C" directors in the districts

in question. The Chair appointed the following committees and assigned to them the districts indicated for their consideration:

Mr. Hamlin and Mr. Warburg were assigned the New York, Philadelphia, Boston, and Cleveland districts;

Mr. Harding and Mr. Williams were assigned the Dallas, Richmond, Atlanta, and Kansas City districts;

Mr. Delano and Mr. Miller were assigned the Chicago, St. Louis, Minneapolis, and San Francisco districts.

Mr. Warburg reported that he had recently visited New York and that the general feeling as expressed by bankers there appears to be that the danger of the Canadian banks withdrawing gold in large quantities had passed, and that the situation appeared to be under control.

Mr. Williams reported to the Board that he and Mr. Hamlin had had an interview with Mr. Eldridge, Vice-President of one of the large New York banks, representing a committee of the New York Chamber of Commerce, and that it was Mr. Eldridge's understanding that if the Comptroller's Office is reasonably lenient in enforcing the technical reserve requirements of the national bank-

ing act, the management of the New York stock exchange does not intend to reopen until such reopening seems advisable in the opinion of the officers of the United States Government.

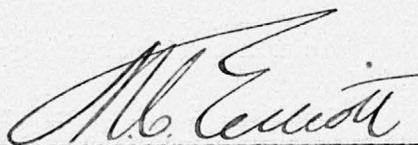
Mr. Warburg suggested that it would be advisable to obtain more definite information as to the status of reserve accounts of the various member banks, and also to obtain information as to the manner in which member banks intend to pay in their capital stock and transfer the required proportion of their reserve balances to the Federal reserve banks.

On motion made and seconded a committee of three, consisting of Mr. Hamlin, Mr. Harding and Mr. Warburg, was appointed to prepare a form of letter with questions to be addressed to all member banks, designed to obtain information relative to the effect of the transfer of reserves and payment of capital when the Federal reserve banks are opened and the system is declared operative.

The question of clerical assistance for the individual members of the Federal Reserve Board was discussed and on motion made and seconded it was resolved

that each member shall be entitled to employ a private secretary and one additional clerk, the selection to be made by the members personally. The salary of the private secretary was fixed at \$2,500 a year. The salary of the additional clerk was left in abeyance until a report can be made by Mr. Williams and Mr. Hamlin as to the usual salaries paid by the Treasury Department for like services.

On motion made and seconded the meeting adjourned to meet again on Wednesday, August 19th, at 11 a. m.



Secretary pro tem.

APPROVED:

Chairman, Federal Reserve Board.

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 Sec'y.