

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:00 a. m., Thursday, October 1, 1914

PRESENT:

Mr. Hamlin	Mr. Williams
Mr. Delano	Mr. Warburg
Mr. Miller.	

The Governor of the Board presided and Mr. H. P. Willis acted as secretary to the meeting.

The reading of the minutes of the preceding meeting was deferred.

The Governor presented a dispatch from the banks of San Francisco with regard to the proposed gold fund.

After a discussion of drafts of letters to be sent to Class "C" directors it was voted on motion duly made and seconded that the proposed drafts be approved and that the letters be transmitted.

On motion the fifth section of the committee report on the steps of procedure to be followed in organizing Federal Reserve Banks was adopted as amended.

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H. P. Willis Sec'y.

The full report of the committee as thus adopted is as follows:

PROPOSED PRELIMINARY REPORT OF PROGRESS ON THE
STEPS OF PROCEDURE TO BE FOLLOWED
IN ORGANIZING FEDERAL RESERVE BANKS

FIRST:

As soon as the selection of Class "C" directors is completed, the Secretary of the Board, on behalf of the Federal Reserve Board, shall notify the new directors and those previously elected (Class "A" and "B") of the selections made. Accompanying this notice, there shall be instructions to the Federal reserve agent acting as chairman of the reserve bank of the district, to call the Board together, organize and proceed to the election of a Governor, who shall be the active manager of the bank and the selection of a member of the Advisory Council, but no other officers.

SECOND:

The Secretary shall send to the Chairman and Federal Reserve Agent of each bank: (A) tentative by-laws; (B) tentative organization chart, explaining that these are offered for the consideration of the Reserve Agent and the Board of the bank; that they have not had the final approval of the Federal Reserve Board but represent the work of certain experts appointed by the Organization Committee. These letters shall state, among other things, that it is proposed in the near future to hold a meeting in Washington to discuss various phases of the subject which it is proposed to go over in considerable detail. In the meantime careful study of the suggestions is requested.

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Alfred H. ... Sec'y.

THIRD:

It is proposed that such portion of the report prepared for the Organization Committee by Messrs. Willis and others, as may appear to be of permanent value as a book of reference and for the guidance of the Reserve Banks, shall be reprinted as soon as possible and sent to the Reserve Agents in such quantity as to enable them to distribute them to all concerned. To this end, the Secretary of the Board is requested to make a careful review of the report as originally printed, and offer to this Committee his suggestions as to what portions of it should be reprinted.

FOURTH:

During the early period of its organization, the Federal Reserve Bank of each district will not need anything elaborate in the way of an accounting system, but they will need: (A) a general ledger, (B) a stock subscription ledger, (C) a book of stock subscription receipts. The Organization Committee caused the forms for the above to be prepared, and it is desirable that the Secretary shall cause these to be set up to supply each bank with them from headquarters, upon requisition of the Reserve Agent for such Reserve Banks as wish to avail themselves of this privilege.

FIFTH:

It is proposed that there shall be a meeting held in Washington, within two to three weeks after the selection of Class "C" directors has been given out, to which directors of the Federal Reserve Banks will be requested to send a committee as large as they choose, but not less than three. To this end the Secretary is directed to prepare a letter of invitation in the name of the Governor of the Board

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to be sent to the Chairman of each of the Federal Reserve Banks, requesting the directors to send delegates to the meeting, as herein specified, explaining in general terms the plan and scope of the meeting.

While this invitation may result in a rather large meeting, it is assumed that, after the usual formal greetings and a preliminary statement of the objects of the meeting, it will naturally break up and subdivide into committees to discuss various phases of the subject. Among other things to be considered and in dealing with which committees will be appointed on

Forms of Organization,
By-laws,
A Definition of Commercial Paper,
Uniform methods to be adopted by Federal Reserve Banks in respect to statements to be made; statistics; and accounting methods.

The Federal Reserve Board also desires this opportunity of listening to such suggestions as the delegates from the various Reserve Banks may have to offer.

SIXTH:

The Secretary is authorized to make an announcement to manufacturers of various mechanical accounting machines, inviting them to make such suggestions and criticisms in regard to forms as they may wish to make, as early as possible.

On motion the following salaries were established for Federal Reserve Agents:

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A. H. ... Sec'y.

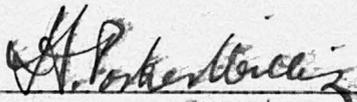
Boston.....	\$10,000
New York.....	16,000
Philadelphia.....	10,000
Cleveland.....	10,000
Richmond.....	10,000
Chicago.....	10,000
St. Louis.....	10,000
Minneapolis.....	7,500

Telegrams requesting conferences with the Class "C" directors of the several Federal Reserve Banks were ordered sent to the directors of each bank.

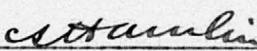
Mr. Williams reported to the Board facts regarding the Class "C" directors in the Federal Reserve Bank of Chicago.

On motion it was voted that a copy of the telegram received from the banks of San Francisco be transmitted to the New York Gold Fund Committee and also to Mr. A. L. Mills of Portland, Oregon, for comment.

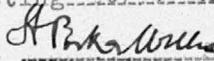
On motion, at 12:00 noon, the Board adjourned to meet at 3:00 p. m. this day.


Secretary.

APPROVED:


Chairman.

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Secretary.