

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11.00 a. m. on Tuesday, June 1,

PRESENT:

Mr. Hamlin, presiding,      Mr. Warburg

Mr. Delano                      Mr. Harding

Mr. Williams                    Mr. Miller

Mr. Willis, Secretary.

The minutes of the meetings of May 22, May 24, and May 27 were read and approved.

On motion it was voted to reconsider the action already taken with reference to the Oklahoma redistricting petition in order to give due consideration to the status of Coal, Johnston and Atoka Counties. The subject was referred to a special committee consisting of the Governor, the Vice-Governor and Mr. Harding, with request for a report at 2.00 p. m. this day.

On motion the following applications of State banks for admission to the Federal reserve system were approved, subject to the same general restrictions and qualifications already made applicable in the case of State banks hitherto admitted:



reserve notes aggregating \$1,000,000, duly recommended by the Committee on Issue and Redemption, were approved as follows for the Federal Reserve Bank of Dallas:

\$50 denomination	\$200,000 per package	\$600,000
100           "	400,000   "   "	400,000

The question of the examination of banks by agents of the Bureau of Internal Revenue, was considered, and an opinion of Counsel with reference to the matter was read. It was voted that Counsel be informally advised to do what he could to obtain the reference of the report of the Commissioner of Internal Revenue in the matter to the Attorney General for consideration.

A report prepared by Mr. Warburg relative to topics to be taken up by a Conference of Governors of reserve banks shortly to be held in Chicago, was presented, and on motion, approved. The Secretary was directed to transmit the substance of the report to the Governors in question, and to send with it the forms proposed by the Board for the reporting of expenses and incomes at the end of the half year.

After discussion of the question what officers of reserve banks should be communicated with regarding the operation of the Gold Settlement Fund, it was voted that the Secretary of the Board inquire of the agents

whether they would prefer to have the communications go direct to the cashier of some other operating officer of their respective banks.

Mr. Harding reported as a result of his investigation of the present practice in approving of the reduction of capital stock by national banks, that, in his judgment, it was best that banks desiring to reduce their capital stock should henceforward first make application to and consult the Federal reserve agent of their district, and having received his approval, should then take the matter up with the Comptroller of the Currency as heretofore. On motion the report was approved, and the Secretary was directed to notify the reserve agents of the attitude of the Board in the matter.

Mr. Harding reported with reference to the question of exchange balances kept by various reserve banks with the Federal Reserve Bank of New York, that, in his judgment, the best disposition of the matter would be to lay it on the table for the present. A letter from the New York bank in regard to the matter was noted and ordered filed.

Mr. Harding reported, with reference to the proposed schedule of expenses put forward by the directors of

the Federal reserve bank of Atlanta, that he believed the Board might well grant the rates suggested in the letter of Federal Reserve Agent Wellborn dated May 18. On motion the report was approved.

General discussion of the clearance situation followed apropos of certain letters on clearance which had been received and taken under advisement. On motion Mr. Delano and Mr. Harding were named a special committee to consider the question how Federal reserve banks should deal with member and non member checks as contrasted with one another.

A communication from Federal Reserve Agent Ingle with reference to certain defects in the report of the First National Bank of New Market, was referred to the Comptroller of the Currency for report.

On motion the Board after discussion, voted to inform Federal Reserve Agents each week of the net amount of notes prepared for issue to their respective banks, actually on hand in Washington for issue.

The question of fixing a date for the transfer of the Oklahoma banks from District No. 11 to District No. 10 having been considered apropos of a request from Federal Reserve Agent Miller that prompt transfer be made,

it was voted to suggest to Mr. Miller and Mr. Tenison that they arrange between themselves for suitable adjustment.

On motion a plan suggested by Governor McCord of the Federal Reserve Bank of Atlanta for the collection of non member State bank checks in the Atlanta district, was referred to Mr. Delano and Mr. Harding, who had already been named a special committee to consider the check collection question.

A letter from Assistant Secretary of the Treasury Newton relative to the taking over of subtreasury functions by Federal reserve banks, was referred to Mr. Warburg, Mr. Miller and Mr. Delano to consult with the Secretary of the Treasury for the purpose of ascertaining his views and intentions in this matter.

On motion it was voted to appropriate \$500, for use by the Secretary of the Board in the purchase of new books for the library, said appropriation to be available for disbursement after July 1, 1915.

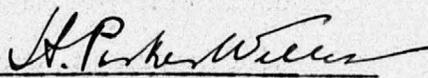
Mr. Harding sketched the general question of relations between the Board and the banks of the country, calling attention to the numerous bankers' conventions that are being currently held, and suggested the desirability

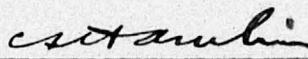
of having a regular representative of the Board who should in the future make it a point to be present at each such meeting. Discussion of the meetings likely to be held in the near future ensued, and, on motion, Mr. Harding was requested to attend personally those at Columbia, S. C., and Cleveland, Ohio, expenses in each case to be paid by the Board. The Governor of the Board was requested to visit the New England bankers in session at New London, Conn.

A memorandum from the Secretary of the Treasury transmitting a statement by a business man of San Francisco relative to methods of lending by the Federal Reserve Bank of San Francisco having been read to the Board, it was voted to ask for fuller information, with the intention of presenting the matter to the Federal reserve agent at San Francisco for report.

On motion at 1.05 p. m. the Board adjourned to meet at 3.00 p. m. this day for special consideration of the proposed circular relating to the membership of State banks in the Federal Reserve system.

APPROVED:

  
Secretary.

  
Chairman.