

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11.00 a. m. on Wednesday, June 2,

PRESENT:

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

The minutes of the meeting of May 28, and the minutes of the morning and afternoon meetings of June 1 were read and approved.

On motion a bid for a new safe to be used in connection with the Gold Settlement Fund was presented and approved at two hundred and sixty-nine (\$269) dollars.

Mr. Delano asked to reconsider the vote of the preceding day, whereby it was agreed to refer certain questions relating to the circular providing for the admission of State Banks to the Attorney General, stating that he thought this subject should be set for consideration at a meeting at which the Secretary of the Treasury could be present.

On motion the proposal was adopted. The suggested meeting was set for 3.00 p. m. this day, the Secretary of the Board to inform the Secretary of the Treasury of the wishes

of the Board and to inform the Board whether he could be present. Mr. Hamlin was recorded as voting in the negative.

After discussion of the power of the Board to refer legal questions direct to the Attorney General it was agreed to obtain the opinion of the Board's Counsel on this subject; and the Counsel having appeared and heard the statement of the question at issue, gave it as his opinion that the Board could, through its authorized Executive Officers, place matters directly before the Attorney General of the United States.

Mr. Miller moved the adoption of the State Bank circular as the report of the Committee that had been engaged thereon, the details of language and the mode of promulgating the circular to be determined later. The motion was carried. Mr. Hamlin was recorded in the negative.

Mr. Harding reported with reference to the insurance of the employees of the Board, submitting the bids of various insurance companies, particularly those of the Metropolitan and Equitable Life. In a general way all the proposals provided that employees

should receive an insurance equal to a year's salary, payable only in case of death while employed by the Board, but with the proviso that within thirty days after leaving the employ of the Board any such employee might apply and get a policy equal to his insured salary for one year with the Board, subject to usual premium.

The report was accepted and it was moved to ratify the proposal of the Equitable Life Assurance Company, effective as of July 1, 1915, the cost of insurance to be paid by the Board, technically as an advance in the salary of each and every employee.

After discussion it was voted to lay the proposal on the table, the Governor in the meanwhile to submit the matter to the Comptroller of the Treasury in order to obtain assurance of the legality of the proposed method of paying premiums.

A letter making inquiry with reference to the renewal of bank acceptances in trade with South America was referred to Mr. Warburg for report.

On motion it was voted henceforth to make public the weekly statement of the Board, as to the condition of Federal Reserve Banks for use in the Sunday

morning newspapers and not sooner.

A letter from Mr. William Ingle, relating to advertisements published by a member bank respecting the sale of "Real Estate Bonds" said to be issued under the provisions of the Federal Reserve Act was referred back to Mr. Ingle with the request that he take up the matter with the bank in question.

A letter from Governor Strong of the Federal Reserve Bank of New York, relative to the double liability of State Banks and Trust Companies in New York, was read to the Board and ordered filed.

The Secretary of the Board was directed to obtain from all other Federal Reserve Banks the same information with respect to double liability in their districts, requesting that such data be obtained through the aid of the counsel of each such bank.

The daily report with reference to the purchase of acceptances by Federal Reserve Banks was brought up for discussion and Mr. Warburg called attention to the fact that the acceptances of member banks now preponderate in the portfolio of Federal Reserve Banks over those of non-member banks.

A telegram from the Federal Reserve Bank of Dallas

Texas, relative to the retention of certain counties in Oklahoma in the Dallas district having been read, it was voted that the Secretary reply with a statement that a decree in the matter had already been sent out, stating however, the substance of this decree.

Telegrams from two State Banks (First State Bank, Geysers, Montana and Commercial Bank and Trust Company of Laurel, Mississippi) were read, both indicating a disposition to wait until the issuance of the new State Bank regulation.

The Secretary of the Board presented forms for use by insolvent banks in making application for withdrawal of stock. These were approved and ordered printed in sufficient quantity.

A letter from Governor Sawyer of the Federal Reserve Bank of Kansas City inquiring whether member banks might buy and sell real estate loans was referred to Counsel of the Board for opinion.

A letter from Federal Reserve Agent Wellborn, relative to the credit situation in the Atlanta district was referred to Mr. Harding for such report as he might deem best.

A letter from Governor Rhoads relating to the

conversion of 2% into 3% bonds was referred to the Special committee on relations between the Federal Reserve Board and the Treasury Department.

A memorandum prepared by the Comptroller of the Currency relative to the admission of State Banks as National banks, they to retain such branches as they already have, was referred to Mr. Delano, as a special committee to consider and report on the subject.

The Secretary of the Board requested permission to present a letter from Mr. George Foster of Spokane, Washington, relative to the consideration of a plan of banking reform suggested by him. After the history of the Foster correspondence had been outlined, the Secretary was directed to say, in reply, that the Board is now fully engaged in applying the Federal Reserve Act, but that should it reach the point of recommending amendments, it would duly consider Mr. Foster's suggestions.

On motion at 12.50 p. m. the Board adjourned to meet at 3.00 p. m. this day.

H. Parker Willis

Secretary.

APPROVED:

W. H. C. ...

Chairman.