

At a regular meeting of the Federal Reserve Board held in the office of the Board on Tuesday, June 15, at 11.00 a. m.

PRESENT:

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

The minutes of the meeting of Friday, June 11 were read and approved.

The minutes of the meetings of Thursday, June 10 were read, and approval suspended pending a fuller meeting of the Board.

The application of the Cedar Rapids National Bank of Cedar Rapids, Iowa, for power to exercise the functions of executor, trustee, etc., was, on recommendation of Mr. Harding and Mr. Williams, placed on the suspended list.

Applications for additional stock in Federal reserve banks, totaling 147 shares, duly recommended by Mr. Harding, were approved as follows:

<u>DISTRICT No. 1.</u>		Shares.
First National Bank	Van Buren, Me.	17
<u>DISTRICT No. 7.</u>		
Citizens National Bank	Cicero, Ind.	17

DISTRICT No. 10.

Shares.

First National Bank	Commerce, Okla.	9
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ADDITIONALDISTRICT No. 5.

First Nat'l Bank of St. Mary's	Leonardtwn, Md.	3
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DISTRICT No. 6.

American National Bank	Tampa, Fla.	15
Snell National Bank	Winter Haven, Fla.	3
Central National Bank	New Decatur, Ala.	1
First National Bank	Scottsboro, Ala.	1
Farmers & Merchants Nat'l. Bank	Enterprise, Ala.	3
First National Bank	Fayette, Ala.	6
First National Bank	Mt. Pleasant, Tenn.	1

DISTRICT No. 7.

First National Bank	Fennimore, Wis.	1
First National Bank	Oregon, Wis.	4
First National Bank	Danville, Ind.	2
First National Bank	Doon, Iowa	2
Des Moines National Bank	Des Moines, Iowa	21

DISTRICT No. 8.

England National Bank	Little Rock, Ark.	4
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DISTRICT No. 9.

First National Bank	Plaza, N. Dak.	3
First National Bank	Seymour, Wis.	1
First National Bank	Ironton, Minn.	1
First National Bank	Chatfield, Minn.	2
Security National Bank	Watertown, S. Dak.	30

Applications for the surrender of capital stock  
in Federal Reserve banks, totaling 348 shares, duly recom-

mended by Mr. Harding, were approved as follows:

DISTRICT No. 8.

First National Bank	Iuka, Miss.	16
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DISTRICT No. 10.

City National Bank	Greeley, Colo.	72
First National Bank	Cozad, Nebr.	45

DISTRICT No. 12.

Berkeley National Bank	Berkeley, Cal.	180
First National Bank	Coeur d'Alene, Idaho.	35

The Secretary of the Board presented the recommendation of Federal Reserve Agent Wellborn of Atlanta in favor of granting to the Whitney-Central National Bank of New Orleans, authority to accept drafts and bills of exchange growing out of transactions involving the importation and exportation of goods, to an amount not exceeding the capital and surplus of the said bank. On motion the application was approved, and the Secretary directed so to notify Mr. Wellborn.

On motion the report of Chief Examiner Broderick relative to the condition of the Federal Reserve Bank of San Francisco, was referred to Mr. Harding and through him to the Committee on Audit and Examination.

On motion the application of the Federal Reserve Bank of Kansas City for \$2,000,000 in Federal reserve notes,

was, on recommendation of the Committee on Issue and Redemption, approved as follows:

\$5 denomination	\$2,000,000
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On motion the application of the Federal Reserve Bank of Cleveland for Federal reserve notes to the amount of \$1,000,000, was, on recommendation of the Committee on Issue and Redemption, approved as follows:

\$5 denomination	\$480,000
10       "	520,000

The Secretary of the Board presented the papers transmitted by Counsel relative to the technique of transferring member banks from one district to another in accordance with the redistricting decisions.

After discussion of the plan prepared by Counsel and also the plan presented by the Federal Reserve Banks of New York and Philadelphia, jointly, it was, on motion, voted to refer the whole subject back to Counsel for further investigation and report at as early a date as practicable.

On motion the question of establishing a branch bank at New Orleans was tabled for the time being, the committee being not yet ready to report.

Mr. Warburg presented a report with reference to the proposed plan of operation by a syndicate of French bankers, which had been presented by Brown Brothers, saying

that he thought the proposal went in some respects rather too far, and suggesting that there ought to be a definite time within which the proceeds of drafts drawn by the French bankers could be used. Discussion ensued, and the documents relating to the matter were placed in the hands of Mr. Hamlin for further study, it being understood that a letter drafted by Mr. Warburg, and included among these documents, should be transmitted without further action by the Board, unless some objection appeared. //

On motion Mr. Harding was appointed in the place of Mr. Miller on the Committee of Issue and Redemption, his duties to continue during Mr. Miller's absence.

The report of a committee appointed to consider and re-draft instructions for Federal reserve agents, was read to the Board. After discussion the report was referred back to the committee aforesaid for further revision.

The Secretary of the Board presented resolutions providing for an assessment of one tenth of one per cent on the full paid capital stock of Federal reserve banks, for the purpose of providing a fund for the expenses of the Board during the six months ending December 31, 1915. He also presented a letter and accompanying press notice

relative thereto.

On motion the documents aforesaid were adopted, the resolution for transmission to Federal reserve banks reading as follows:

WHEREAS, under Section 10 of the Act approved December 23, 1913 and known as the Federal Reserve Act, the Federal Reserve Board is empowered to levy semi-annually upon the Federal reserve banks in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses including the salaries of its members, assistants, attorneys, experts and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year, and

WHEREAS, It appears from estimates submitted and considered that it is necessary that a fund equal to one-tenth of one per cent of the capital stock of the Federal reserve banks be created for the purposes hereinafter described, exclusive of the cost of engraving and printing Federal reserve notes.

NOW, THEREFORE, BE IT RESOLVED, That pursuant to the authority vested in it by law, the Federal Reserve Board hereby levies an assessment upon the several Federal reserve banks of an amount equal to one-tenth of one per cent of the total capital stock of such banks, and the Fiscal Agent of the Board is hereby authorized to collect from said banks such assessment and execute in the name of this Board a receipt for payment made. Such assessment will be collected in two instalments of one-half each; the first instalment to be paid on July 1st and the second half on September 1st, 1915.

The Secretary of the Board presented certain letters from Federal reserve banks proposing an extension of the functions of the Gold Settlement Fund in such a way as to provide for the clearing of national bank notes and Federal re-

serve notes. After discussion the letters aforesaid were referred, on motion, to the Committee on Relations with Treasury Department (Mr. Delano, chairman) for further investigation and for communication with the banks in question.

The Secretary of the Board presented the question of calling for complete salary lists from all Federal reserve banks that had not thus far been presented. On motion the Secretary was authorized to call for such lists.

The Secretary presented a draft of a proposed change in the form of Regulation G relating to the increase and decrease of capital stock in Federal reserve banks. On motion the said regulation was adopted, and the Secretary was directed to issue it, accompanied by a short circular stating the reasons for introducing the change into Regulation G.

The resolutions transmitted by the Federal Reserve Bank of San Francisco relative to the policy followed by that bank in passing upon applications for power to exercise the functions of executor, trustee, etc., were read and noted by the Board.

A communication from the Church Hill Bank of Richmond, Va., another from the Peoples Trust and Savings Bank

of Clinton, Iowa, and a letter from Wm. J. Barstow, Secretary of the Manheim Building and Loan Association, relative to membership in the Federal reserve system, were, on motion referred to the Committee on State Banks, Mr. Harding, Chairman.

A letter from Governor Rhoads of Philadelphia, transmitting a resolution of his board of directors favoring the establishment of a ten day rate of discount, was read to the Board and laid on the table for the time being.

A memorandum from the Statistical Division of the Board, relative to uniformity of practice in figuring the maturities on commercial paper, having been read, it was, on motion of Mr. Harding, voted that a letter be sent to each Federal reserve agent asking that Federal reserve banks observe, so far as possible, the New York rule with reference to the figuring of maturities, such letter to be referred back to the Board for approval.

A resolution adopted by the New Jersey Bankers' Association expressing approval of the action of the Board in transferring northern New Jersey to Federal Reserve District No. 2, was read to the Board and noted.

A letter from Mr. J. A. Broderick, Chief Examiner, relative to his movements in the near future, was read to the Board, and the Secretary of the Board was directed to write

and telegraph him stating that the Board thinks it best that he and his staff should return to Washington as soon as the examination of the Federal Reserve Bank of Dallas, and a proposed conference at Kansas City, have been completed.

Letters from Federal Reserve Agent Wills and Governor Fancher of Cleveland asking for rulings on certain types of commercial paper were presented to the Board and, on motion, referred to the sub-committee on commercial paper.

A letter from the National Bank of Commerce of Pittsburg, Kansas, asking the date when 2% bonds can be converted into 3% bonds, was referred to the Committee on Relations with the Treasury Department ( Mr. Delano, Chairman) with instructions to obtain a definite ruling on the point raised in the letter.

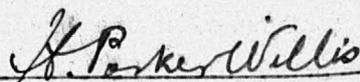
The Secretary of the Board reported the facts regarding the present method of obtaining information concerning the turning in of new reports as to the condition of member banks which have been placed on the suspended list of applicants for executor and trustee powers.

// Mr. Warburg presented the draft of a letter to Bernhard, Scholle & Co. relative to acceptances, accompanied by a memorandum from Counsel on the subject. The Secretary

was directed to transmit a reply corresponding therewith to Messrs. Bernhard, Scholle & Co. and to the Federal Reserve Agent of New York. //

The Secretary of the Board presented an application of a member bank for information regarding the salary paid at the Federal Reserve Bank of Atlanta. On motion it was voted that the query be referred to the Federal Reserve Bank of Atlanta.

On motion at 1.15 p. m. the Board adjourned to meet at 11.00 a. m. on Thursday, June 17.

  
Secretary.

APPROVED:

  
Chairman.