A meeting of the Federal Reserve Board was held in the Board Room on August 18th, at 11:25 a.m.

**Present:**

Governor Hamlin, presiding Mr. Harding
Mr. Williams Mr. Miller
Mr. Allen, Assistant Secretary.

Requests for Federal reserve notes were approved as follows:

- Dallas $2,000,000
- Richmond 200,000
- Minneapolis 1,000,000
- Philadelphia 3,000,000

A letter from Deputy Federal Reserve Agent McCaleb of the Federal Reserve Bank of Dallas relative to the supply of notes for that bank was read and on motion was referred to Mr. Miller for investigation and the preparation of a proper reply.

Discount rates authorized by Mr. Harding and Mr. Miller for the Federal Reserve Bank of Kansas City made effective Friday, August 13th, were approved as follows:

- 4% from 61 to 90 days
- 3½% for trade acceptances up to 90 days.

A letter was read from Federal Reserve Agent Ingle, dated August 12th, in which he directed attention to the fact that the city of Richmond was about to issue
notes of $500,000 and stated the situation of the Federal Reserve Bank of Richmond with reference thereto. This matter had been taken up by telephone by Mr. Harding who stated the substance of his conversation with Federal Reserve Agent Ingle. Mr. Harding’s reply to Mr. Ingle was approved by the Board.

A letter from Governor Aiken of the Federal Reserve Bank of Boston, asking permission to increase the purchase of revenue warrants in anticipation of taxes to 20 per cent of the deposits of the Boston bank was read and the request approved by the Board, subject to the conditions stated in Governor Aiken’s letter.

A letter from Federal Reserve Agent Austin of the Federal Reserve Bank of Philadelphia dated August 6th was read. This letter asked the approval of the purchase by the Federal Reserve Bank of Philadelphia of $25,000 in additional warrants of Atlantic County, N. J. maturing September 24, 1915 on a 3-3/8 per cent basis. The letter stated that the total issue of warrants is $135,000, that the bank now holds $55,000 and that the purchase will make the holdings of the bank $80,000. It was voted to approve the request, subject to the statement contained in the letter.
The report of the audit of the Gold Settlement Fund as of July 26th signed by J. A. Broderick for the Federal Reserve Board and by H. L. Harrison, Auditor for the Federal Reserve Bank of New York as representing the Federal Reserve Banks, was presented to the Board and ordered to be filed. The Assistant Secretary was given permission to include the report among the matters published in the Federal Reserve Bulletin for September 1.

A letter from Federal Reserve Agent Miller of the Federal Reserve Bank of Kansas City asking permission to make transfers of gold to the Kansas City Bank and take credit in the Gold Settlement Fund was read to the Board. The Secretary was instructed to reply that this could not be done under the Gold Settlement Fund as at present constituted.

Correspondence with Federal Reserve Agent Rich of the Federal Reserve Bank of Minneapolis, concerning the status of salary of Curtis L. Hosher, his assistant, was presented to the Board. At the suggestion of Governor Hamlin action thereon was deferred that he might have an opportunity to examine the papers.

Consideration was given to the provision of the by-laws under which the Executive Committee of the Board
is constituted, the matter being brought forward by reason of the summer absence of some of the members of the committee. The question raised was referred to Governor Hamlin and Mr. Miller for report.

Correspondence with Deputy Federal Reserve Agent McCaleb of the Federal Reserve Bank of Dallas, relative to his holding of uncovered Federal reserve notes was laid before the Board and a letter to be signed by the Assistant Secretary addressed to Mr. McCaleb was approved.

A letter from Hon. Morris Sheppard, U. S. Senate recommending Deputy Federal Reserve Agent McCaleb for the position of Federal Reserve Agent at the Federal Reserve Bank of Dallas was read to the Board and ordered filed.

The Assistant Secretary presented letters from the Federal Reserve Bank at Philadelphia and the Federal Reserve Bank at Chicago, relative to their readiness to rediscount paper of other Federal reserve banks, and these letters were ordered to be placed on file.

The application of H. Robert Fowler, Counsel for Labor's National Peace Council, for a copy of the brief submitted by the Board's Counsel in connection with the petition which Mr. Fowler filed with the Board was laid before the Board and referred to Assistant Counsel for the preparation of a reply.
The Assistant Secretary presented a letter from Vice President Gardin of the National City Bank of New York, in which Mr. Gardin recommended the furtherance of dollar exchange in South American countries through the acceptance of 90 day sight drafts on national banks for Chilean export duties. It was directed that copies of Mr. Gardin's letter and its inclosures be circulated about the members of the Federal Reserve Board for their further consideration.

On motion of Mr. Miller it was voted to give the Executive Committee of the Federal Reserve Board authority to direct the issue of notes to Federal reserve agents upon proper applications therefor, approved by a majority of the Committee on Issue and Redemption.

A letter from Federal Reserve Agent Austin of Philadelphia, addressed to Mr. Harding, in which it was recommended that the cost of shipping Federal reserve notes returned to other Federal reserve banks be defrayed by the bank whose notes were returned, was referred to Counsel for consideration and a report upon the provision of the Act in this connection. It was further directed that this suggestion be noted to be called to the attention of the governors of the Federal reserve banks at their next meeting.
Assistant Counsel was requested to prepare a memorandum for the Board on the question, whether Federal reserve agents may issue notes for gold or lawful money directly, without the use in this connection of commercial paper.

The Assistant Secretary called attention to a letter from the Federal Reserve Bank of Dallas, dated August 10th, which stated as follows:

"We have assumed that our credit balance in the gold settlement fund, above the $1,000,000 requirement was immediately available, but we observe that shipment in question can not be made before tomorrow by reason of there being only one member of the Board in Washington to indorse the certificates."

It was explained that the delay in the shipment occurred as only one member of the Federal Reserve Board was in Washington to endorse the certificates. The absence of the second member of the Board in this instance was due to the conferences and meetings of the Federal Reserve Board held in New York, August 10, 1915. In this connection the Assistant Secretary called the attention of the Board to the fact that daily settlements could now be made through the Gold Settlement Fund and take the place of the weekly settlement made as at the close of business on Wednesday, but actually taken place on Thursday. It was suggested
that the question whether Federal reserve banks desired
the daily settlement through the Gold Settlement Fund
could now be taken up. On motion the letter from the
Federal Reserve Bank of Dallas, extracts from which had
been read and the question of daily settlements through
the Gold Settlement Fund were both referred to the Ex-
cecutive Committee of the Board.

Letters from the Federal Reserve Agents at San
Francisco and Philadelphia on the question of check clear-
ings were read, and ordered to be filed, it being under-
stood that they would later be called to the attention of
those interested in financial legislation by Congress at
the coming session.

A letter from J. A. Broderick, Chief of the
Division of Audit and Examination, with reference to
inspection of loan portfolios of National banks by
examiners sent from Federal reserve banks was read to
the Board. This was referred to the Executive Committee
with power to act.

At 1.15 p. m. the Board adjourned to meet at
3.00 p. m. this day.

APPROVED: ___________________________ Secretary.

Chairman.