

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:10 a. m., on Friday, June 23,

PRESENT:

Mr. Hamlin, presiding Mr. Williams

Mr. Delano Mr. Harding

Mr. Allen, Secretary.

The minutes of the meeting of Thursday, June 22, were read and approved.

Further consideration was given to a revised letter of instructions to Federal reserve agents and forms to be submitted to the Board by those desiring exemption under the Clayton Act and these were approved.

A telegram, dated June 23, signed by Mr. George M. Reynolds for a conference of representatives from clearing houses at New York, Chicago, St. Louis, Kansas City, Dallas, Atlanta, Cleveland, Minneapolis and Philadelphia, asking a meeting with the Board on Tues-

day, June 27th with a view to cooperating in connection with check clearing and collection, was referred to the Committee on Clearing, with power.

The request of the Federal Reserve Bank of Minneapolis that their application previously approved by the Board to convert \$350,000 of 2% United States bonds into 3% bonds and notes, was approved.

A letter from Mr. James B. Forgan, Chairman, Federal Advisory Council, was read. This called attention to a ruling of the Comptroller of the Currency as to the issuance by national banks of traveler's letters of credit and was referred to the Comptroller of the Currency.

Attention was called to three changes in staff, not affecting the salary list, at the Federal Reserve Bank of Atlanta, and the letter referred to the Committee on Operation of the

Federal Reserve Bank of Atlanta.

An opinion of Counsel given to the Comptroller of the Currency, submitted for approval that it might be printed in the Bulletin, was referred to the Committee on Law.

There was discussion of the steps to be taken to further the consideration of amendments to the Act now pending before Congress.

The Secretary presented a report from the Treasurer of the United States, submitting offerings of United States bonds by member banks for sale to Federal reserve banks, and the following resolution, offered by Mr. Delano, was agreed to.

RESOLUTION ADOPTED BY THE FEDERAL
RESERVE BOARD.

Friday, June 23, 1916.

WHEREAS, It appears that the twelve Federal reserve banks have purchased in the open market bonds in excess of the amount which might have been allotted to such banks at the end of this quarterly period on the basis heretofore determined upon and announced by the Board.

NOW, THEREFORE, BE IT RESOLVED,
That it is the sense of the Board that no necessity exists for enforcing the requirement provided for under Section 18, of the Federal Reserve Act, at the end of this quarterly period ending, June 30, 1916, and that it will not at this time require the Federal reserve banks to purchase any of those bonds which are offered for sale by member banks through the Treasurer of the United States under the provisions of Section 18.

BE IT FURTHER RESOLVED, That the Secretary be instructed to send a copy of this resolution to the various Federal reserve banks and to the member banks which have offered bonds for sale in order that they may be notified of the action of the Board in the premises.

On recommendation of Mr. Warburg, approval was given to the request of the Federal Reserve Bank of Chicago for permission to purchase \$35,000 warrants of the Town of Peabody, Massachusetts, in addition to \$25,000 previously authorized, these warrants being due on November 6th.

The following resolution covering the separation and adjustment of any losses

in connection with the gold certificates making up the Gold Settlement Fund, was approved by the Board. It was directed that copies of this resolution be sent to Federal reserve banks and Federal reserve agents.

RESOLVED that the gold certificates comprising the Federal Reserve Agents' Fund and the Federal Reserve Banks' Fund in the Gold Settlement Fund shall hereafter be separated so that certain certificates shall be credited to each Fund by number and transfers made upon the books of the Federal Reserve Board by both numbers of certificates and amounts in dollars, and

BE IT FURTHER RESOLVED that any loss which may occur in the Gold Settlement Fund after May 15, 1916 shall be charged against the Federal Reserve Agents' Fund or the Federal Reserve Banks' Fund accordingly as ownership of the lost certificate shall by its number be indicated on the books of the Gold Settlement Fund.

Mr. Warburg was requested to prepare a letter to the Secretary of the Treasury, asking if it is not possible to issue the balance of the \$30,000,000 in bonds, which Federal reserve banks have been authorized to convert

into 3% bonds and notes, at this time rather than on the next conversion date, October 1, 1916.

Governor Hamlin called attention to a letter prepared by Counsel to be sent to Senator Owen and Representative Glass, calling attention to the provision in the proposed conference report on the Rural Credits Bill under which the bonds contemplated to be issued may be purchased by Federal reserve banks. A motion by Governor Hamlin, that Counsel send the letter to Senator Owen and Representative Glass, amended in accordance with the suggestions of Mr. Warburg, was lost by a vote of two to two, Mr. Hamlin being recorded in the affirmative. Mr. Harding then moved reconsideration of the motion and that Counsel prepare a letter to be signed by him when approved by the Governor and Vice Governor to be sent to Representative Glass only. This motion pre-

vailed.

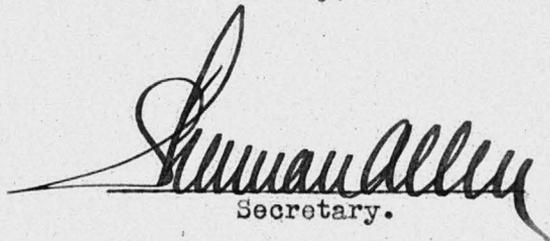
Mr. Harding read a letter on clearing prepared by him to be sent to Mr. F. W. Foote, of Hattiesburg, Mississippi, a director of the Federal Reserve Bank of Atlanta.

A memorandum prepared by Mr. Delano in connection with the investments of the New Orleans Branch of the Federal Reserve Bank of Atlanta, was read and the suggestion that no further action in connection with the purchase by the Branch bank of United States bonds be now taken in view of the circumstances, was approved.

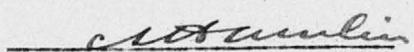
A report of the Committee on Audit and Examination, dated June 22, 1916, covering salaries of National bank examiners and their approval by the Federal Reserve Board, was read and on motion of Mr. Harding recommended that the Committee might consult with Counsel for the Board.

A letter from the Federal Reserve Agent at Atlanta in reply to the complaint of Mr. W. J. Mitchell, Vice President of the Commercial National Bank of New Orleans as to exchange charges by the New Orleans Branch, was ordered to be answered, the reply to be submitted to Mr. Harding for his approval.

At 12:50 p. m., the Board adjourned to meet at 11:00 a. m., on Tuesday, June 27.


Secretary.

APPROVED:


Chairman.