At a regular meeting of the Federal Reserve Board held in the office of the Governor at eleven a.m. on Monday, June 11,

PRESENT:

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

The minutes of the meeting of the Board held on June 9 were read and, on motion, approved.

Various letters from Federal reserve banks bearing upon the details of the plan of rediscounting between Federal reserve banks, were presented to the Board with special reference to certain suggestions made by Governor McDougal of Chicago regarding this subject. It was agreed that Mr. Delano consult with the Federal Reserve Bank of Chicago either by telephone or otherwise, as he might deem best in order to enlist their cooperation in the plans.

On motion the Secretary of the Board was directed to telegraph the Federal reserve banks from which no communications had yet been received with reference to their views as to rediscounting, and to ascertain their positions.

A letter from Federal Reserve Agent Wellborn trans-

mitting a copy of a letter covering absolute control of pledged commodities stored in warehouses owned or controlled by borrowers, was presented to the Board and it was stated that the letter had received the approval of Counsel. On motion, the Secretary of the Board was directed to inform Mr. Wellborn that the Board is satisfied with the form of lease.

The Secretary of the Board read a letter from the Federal Reserve Bank of New York transmitting a resolution passed by the board of directors of that bank, with reference to a desired increase in the quantity of Federal reserve notes held for its account. The letter was referred to the Committee on Issue and Redemption, Mr. Delano, member, and it was agreed that when this Committee has reported, a copy of the letter of the New York bank and the report of the Committee should be transmitted by the Vice Governor to Assistant Secretary of the Treasurer Crosby.

Informal discussion of the rates of discount to be applied by the Federal Reserve Bank of Boston on paper secured by Government bonds ensued.

The Secretary of the Board presented a letter writ-

ten by Mr. George Pope, President of the National Association of Manufacturers, recommending the appointment of Mr. George D. Iverson, President of the American Belting Companies, as a member of the board of directors of the Baltimore Branch of the Federal Reserve Bank of Richmond. The letter was referred to the Committee on Operation of the Federal Reserve Bank of Richmond.

The Secretary of the Board presented a telegram from Governor Miller notifying the Board of the appointment of Mr. W. T. Kemper as chairman of the Boards of directors of the Southwestern National Bank of Commerce and the Commerce Trust Company of Kansas City. The matter was referred to the Committee on Clayton Act.

A letter from Col. W. W. Harts on behalf of the Public Buildings Commission with reference to future quarters of the Board, was referred to the Committee on Quarters, Mr. Delano chairman.

Mr. Warburg presented a telegram from Governor Harding, as follows:

"Birmingham, Ala.,
June 9, 1917.

Paul M. Warburg,
Federal Reserve Board,
Washington, D. C.

Do not understand your telegram exactly, but

in view of the necessity of our distribution of bonds, Secretary agrees with me that we should strain a point if necessary to authorize Federal Reserve Banks to rediscount notes of non member banks secured by bonds upon endorsement of member banks. W.P.G. Harding."

The telegram was noted and ordered filed.

Mr. Warburg read a letter from Counselor Polk of the State Department with reference to the shipment of gold to Japan. The letter was noted and the Vice Governor authorized to prepare a reply.

A letter from the Comptroller of the Currency with reference to certain statements as to trade acceptances appearing in literature sent out by Federal reserve banks, and also a letter from the International Harvester Company, raising points of the same description, were referred to the Committee on Law for consultation with Counsel.

The question of the summer schedule of the Board was taken under advisement, and it was informally agreed that matters of general importance would be discussed at meetings to be held on Tuesdays, or Wednesday or Thursdays, while routine administrative matters or matters calling for prompt action would be disposed of on other days by the Executive Committee including members who happened to be in residence at the time.

On motion at 12 noon the Board adjourned.

APPROVED:

A. Parker Willis
Secretary.

Chairman.