

At a special meeting of the Federal Reserve Board held in the office of the Governor on Tuesday, June 12, at four p. m.,

PRESENT:

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

The minutes of the meeting of the Board held on June 11 were read, corrected, and, on motion, approved as corrected.

On motion, it was voted to obtain an opinion with reference to the question whether the Board has power in making its definition of commercial paper, under the Federal Reserve Act, to exclude from such definition paper made for the purpose of carrying or trading in United States bonds, when such action is deemed desirable in the interests of the System. The matter was placed in the hands of the Committee on Law in consultation with Counsel.

The Secretary of the Board presented a telegram from Federal Reserve Agent Curtiss of Boston stating that the Federal Reserve Bank of Boston had named a rate of $3\frac{1}{2}\%$ on customers' 90 day paper, secured by Government obliga-

tions. On motion, the proposed rate was approved and the Secretary directed to notify Mr. Curtiss accordingly.

The Secretary of the Board read a letter from Federal Reserve Agent Ferrin stating that for the present no changes in rates were desired by the Federal Reserve Bank of San Francisco. The letter was noted and ordered filed.

An opinion of Counsel with reference to the status of educators as candidates for appointment to the directorates of Federal reserve banks, was presented and, on motion, ordered referred to the Committee on Law.

At this point the formal session of the Board was suspended and, sitting as the Committee on Member and State Banks, the members present took under advisement the applications for admission to the Federal reserve system of the St. Joseph's Bank of Elkhart, Indiana, and of Messrs. Coffman, Dobson & Company of Chehalis, Washington, favorably reported by the Division of Audit and Examination, and, on motion, it was voted to recommend to the Board the admission of both institutions upon certain specified conditions.

Thereupon the Board resumed its formal session, and, on motion, the recommendation of the Committee on Member and State Banks favorable to the applications of the St. Joseph's

Valley Bank of Elkhart, Indiana, and the Coffman, Dobson & Company, of Chehalis, Washington, were approved and the Secretary directed to notify both institutions and the Federal reserve banks interested, accordingly. He was further authorized to reply to a telegram from Federal Reserve Agent Ferrin granting authority to announce the admission of Coffman, Dobson & Company as soon as the latter concern should accept the conditions upon which their admission had been voted.

A letter written by Mr. Warburg to Federal Reserve Agent Heath stating that in the opinion of the Board no reserve need be held against its outstanding debentures by the Iowa Loan & Trust Company, should this concern seek and obtain admission to the Federal reserve system, was read and, on motion, its transmission was authorized.

A letter from Governor Rhoads stating that the Philadelphia Clearing House banks had voted to settle debtor balances by checks on the Federal Reserve Bank of Philadelphia, was read and noted.

On motion, it was voted that on Flag Day, June 14, the Board's offices be formally closed after one

o'clock p. m., except in so far as the presence of officers or employees needed for the conduct of necessary business might be required.

A report of the Committee on Audit and Examination recommending the granting of authority to the Federal Reserve Bank of St. Louis to pay a six months' dividend at the rate of 6% per annum for the period from July 1, 1915, to December 31, 1915, was, on motion approved and the Secretary directed to send notice accordingly.

A letter addressed to Federal Reserve Agent Martin by Mr. Warburg with reference to the eligibility of 90 day paper of a certain waterworks company, was, on motion, approved and the letter ordered transmitted.

A letter received from the Comptroller of the Currency with reference to the progress of examinations in the Richmond District, and relations between examiners and the Federal Reserve Bank of the District, was presented and, on motion, ordered circulated, to come before the Board at a later meeting.

On motion, at 5.25 p.m. the Board adjourned.

APPROVED:

Arthur H. Willis
Secretary.

Chairman.