At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, June 3, 1918, at 11 A. M.,

PRESENT:

Mr. Harding, presiding, Mr. Hamlin,

Mr. Warburg, Mr. Delano, (Mr. Williams)

Mr. Miller, Mr. Willis, Secretary.

The minutes of the meeting of the Board held on May 31st were read and on motion approved.

The minutes of the meetings of the Gold Export Committee, held on June 1st and 3d, were presented and on motion approved, and the action therein set forth ratified.

A letter from the Federal Reserve Bank of Kansas City re rates of discount, with special reference to the question of maximum rates was read and ordered circulated.

Letters from the Federal Reserve Bank of Philadelphia re the election of new officers at that institution were read and referred to Committee No. 1.

A letter from the National Association of Credit Men re opposition to trade acceptances was read and the Secretary directed to reply.
A dispatch from Consul Poole of Moscow re financial conditions in Russia was read and noted.

A letter from R. R. Wilson, re the meeting of a committee on cotton financing and the desired presence of Governor Harding was read and on motion Mr. Harding was authorized to visit New York at the expense of the Board.

A letter from Governor Strong re the elimination of "float" growing out of acceptance collections and Governor Harding's reply thereto were read and referred to Committee No. 2.

On motion the question of a hearing re a proposed Oklahoma Branch was referred to the Chairman of the Committee on the Kansas City Bank, with power to proceed to Kansas City and hold a hearing there on the subject, at his discretion.

Governor Harding read a letter from the Cumberland Valley National Bank of Nashville, Tenn., re the question of establishing a Branch at that point, also correspondence from other places as to the same matter, incidentally dealing with the question of purchasing "float". The correspondence was referred to Mr. Harding and Mr. Delano as the Atlanta Committee.
Letters relating to powers of attorney to be filed by Federal Reserve Banks re the hypothecation of government notes and bonds to protect Federal Reserve bank notes, and a proposed telegram of reply to certain questions asked by the Federal Reserve Bank of Cleveland regarding the use of such powers of attorney were read and the telegram authorized.

A letter from Governor Van Zandt, addressed to Governor Harding, re a proposed absence from Dallas, was read and noted.

A letter from Federal Reserve Agent Wellborn re a proposed campaign for the getting of State bank members was read and noted; also a letter from the Federal Reserve Bank of Cleveland on the same subject.

Mr. Delano stated that the new private wire service between Federal Reserve banks was in process of installation.

Reports of Committees were presented and approved as follows:

No. 1.

Dated June 3d (informal and oral), recommending the appointment of Mrs. J. A. Hutton (Board's staff) on probationary tenure at the rate of $1,200 per annum, effective June 1st, an entry in the minutes of May 31st being authorized.
Dated June 3d, recommending the appointment of W. H. Mitchell in the Division of Statistics at $1,800 per annum, effective on assuming duty.

Dated June 3d, recommending certain increases in the salaries of the staff of the Federal Reserve Bank of Chicago proposed in the letter of Secretary McAllen of that bank in his letter of May 27th.

Dated June 3d, recommending the appointment of Louise Patterson (Division of Foreign Exchange) at $900 per annum, effective June 1st.

No. 3.

Dated June 1st, recommending changes in stock at Federal Reserve Banks as follows:

District No. 1; application for original stock:
State National Bank, Lynn, Mass., 150 shares.

District No. 8; application for surrender of stock:
The Mercantile National Bank,
Memphis, Tenn., 360 shares.

On recommendation of Mr. Delano, the following memorandum re by-laws at Kansas City was adopted and ordered transmitted to Federal Reserve Agent Ramsey:

Memorandum for Board:

"Mr. Ramsey's letter to the Board of May 29th advises of the action of the Kansas City Board in passing resolution accepting examination from the State Bank Commissioner of Wyoming, of such State banks as may be admitted to membership from that State. He calls attention, however, to the fact that the resolution is useless now, as the Attorney General of Wyoming has ruled that State banks cannot subscribe for stock in the Federal Reserve Bank. The resolution is passed so that in case any change should be made in the present laws, the Reserve Bank would be prepared."
"The action in authorizing, not to exceed two senior employees of each branch to countersign "for manager" in the absence of the manager, all checks for payment of money signed by the Cashier, and not to exceed two other senior employees to countersign similarly "for Cashier", checks signed by the Manager, seems to be an amplification of the by-laws of Omaha and Denver Branches, where under Article IV Section 3, the Head Office is authorized to appoint an acting manager, or similarly, Section 5 of same Article, to appoint an acting Cashier. Under these sections of the by-laws the acting manager and acting cashier are to receive such compensation as may be fixed by the Head Office."

On motion of Mr. Williams, it was voted that the license for earmarking or exporting gold in favor of the Equitable Trust Company on behalf of Musher & Company be withdrawn on June 10th unless sooner availed of.

Discussion concerning a proposed ruling re cold storage paper ensued but no action was taken.

The Secretary of the Board called attention to the facts regarding a shipment of Federal Reserve notes sent by the Division of Issue through error to Cleveland instead of to Pittsburgh.

On motion at 1 P. M., the Board adjourned.

APPROVED:

[Signature]

Chairman.