

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Vice Governor on Thursday, June 7, at 5.30 p.m.,

PRESENT:

Mr. Warburg,

Mr. Miller,

Mr. Delano,

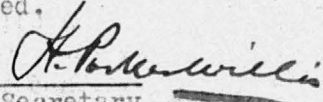
Mr. Willis, Secretary.

Mr. Warburg read to the Committee a draft of a letter to Governor Strong with reference to the question of counting gold held abroad as reserve for Federal reserve banks. Discussion ensued, and it was finally agreed to authorize the transmission of the letter upon condition that such gold held abroad to be counted as reserve, should never exceed \$50,000,000, or 10% of the total gold holdings of participating Federal reserve banks, whichever amount should be the larger, and, further, that the fact of this gold holding should be shown on the statements of Federal reserve banks.

It was agreed to telegraph the substance of the letter to Secretary McAdoo and Governor Harding for their approval before transmitting it.

On motion at 6 p.m. the Committee adjourned.

APPROVED:


Secretary.

Chairman.