

At a regular meeting of the Federal Reserve Board, held in the office of the Governor on Wednesday, August 1, 1917, at 11 a.m.,

PRESENT:

Governor Harding, presiding, Mr. Williams,
Mr. Warburg, Mr. Miller,
Mr. Delano, Mr. Willis, Secretary.

The minutes of the meeting of July 31 (morning) were read and on motion laid on the table pending certain changes therein.

The minutes of the meeting of July 31, (afternoon) were read and on motion approved.

Governor Harding read a letter from Secretary Curtis of the Federal Reserve Bank of New York with reference to the proposed conference of governors of reserve banks. The letter was noted and ordered passed to file.

Resolutions relating to the proposed conference, offered at the meeting of July 31 and made a special order for this meeting, were on motion laid on the table in order that the Committee entrusted with them might have further opportunity for consideration.

At 11.30 a.m. the Board took a recess in order

to hold an informal conference with the authorities of the Treasury Department with reference to public finances.

At 3.30 p.m. the Board reassembled.

Present: Mr. Harding, presiding, Mr. Warburg, Mr. Williams, Mr. Miller, Mr. Willis, Secretary.

Mr. Delano entered the meeting later and was present during a part of the session.

Governor Harding read a telegram from Federal Reserve Agent Martin, stating that the Federal Reserve Bank of St. Louis had elected George W. Norton and W. C. Montgomery, of Elizabethtown, Ky., as directors of the proposed Louisville Branch on behalf of the Federal Reserve Bank of St. Louis. Mr. Martin stated that the third director, who should also be manager, would be chosen later.

Discussion of the Board's choice of directors ensued, and on motion the following were unanimously elected: Charles E. Hoge, President, State National Bank, Frankfort, Ky., and F. M. Sackett, President, Board of Trade, Louisville, Ky.

A telegram from Chief of Division Broderick with reference to the date of transmission of Form X-143 by Federal Reserve Banks, recommending that a telegram relative to the

same be sent by the Governor to each Federal Reserve Bank, was, on motion, referred to the Governor with power to act.

The question of the Board's quarters for the coming year, made a special order for this meeting, was taken up for discussion and the special committee in charge of the subject (Mr. Harding and Mr. Williams) reported in favor of leasing sufficient space on the fifth floor of the Metropolitan Bank Building to provide the quarters for the Board's Counsel in addition to the space already intended for the Legal Department of the Comptroller of the Currency's office. Discussion ensued and the report being put to vote there were recorded in favor of the plan proposed, Mr. Harding and Mr. Williams. Mr. McAdoo had already requested to be recorded in favor of the plan when the question should come to a vote.

There were recorded against the plan, Mr. Warburg, Mr. Delano and Mr. Miller.

So the plan proposed in the report was declared lost.

The Special Committee being continued by unanimous consent thereupon reported in favor of authorizing

the leasing of the leasing of the space in the Metropolitan Bank Building which had been recommended in its former report as suitable for the Legal Department, such space to be employed at the discretion of the Board, as circumstances might dictate. On motion the report was unanimously adopted.

Governor Harding stated that he had received another letter with reference to the case of Peoples State Bank of Detroit, Michigan, inquiring as to the effect of the Clayton Act upon them. Hence the desirability of ascertaining the application of the Clayton Act. He read a draft of a letter addressed to the President asking for the opinion of the Attorney General with reference to the application of the Clayton Act to state banks. After discussion the transmission of the letter, with various changes of contents, was agreed to.

A letter from Federal Reserve Agent Perrin with reference to the check collection system was referred to the Committee on Clearings.

A letter from Federal Reserve Agent Rich, with reference to the relative rank of the assistant to the Federal Reserve Agent, and the reply of the Governor to the same, was read and noted.

A letter from Federal Reserve Agent Jay, of New York, under date of July 30, with reference to the organization to be employed in New York for handling the next Liberty Loan was read and noted.

A copy of a letter to Federal Reserve Banks, transmitted by the Assistant Secretary of the Treasury Crosby, explaining certain details of practice with reference to interim certificates of indebtedness, was read and noted.

A letter from Federal Reserve Agent Perrin stating the probability of large withdrawals of gold for shipment to Calcutta was referred to the Governor to be brought to the attention of the Secretary of the Treasury.

Mr. Warburg presented a letter from Mr. Archibald Hains of New York, inquiring about the probable power of the American Foreign Banking Corporation to accept. The letter was referred to Counsel.

Certain changes in the proof of the forthcoming Federal Reserve Bulletin were discussed and agreed to.

On motion, at 4.45 p.m., the Board adjourned.

APPROVED:

H. Parker Willis
Secretary.

Chairman.