

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Governor at 10.40 a.m., Friday, August 10, 1917,

PRESENT:

Governor Harding, presiding, Mr. Miller,  
Mr. Hamlin, Mr. Allen, Assistant  
Secretary.

Governor Harding presented the following matters, upon which the action indicated was taken:

Letter from Federal Reserve Agent Martin stating the salary fixed for the manager of the branch of the Federal Bank of St. Louis at Louisville as \$5,000. Approved.

Memorandum from Counsel relative to inquiries made by John Poole, of Washington, under date of July 26, with regard to the discount of collateral notes given in connection with Liberty Loan subscriptions. Referred to the Governor that he might make proper disposition of the matter.

Letter from Federal Reserve Agent Jay stating that six Federal Reserve Agents thought no further audit of the Gold Settlement Fund necessary, and two others held some audit desirable. Referred to the Governor, who was re-

requested to make suggestions to Mr. Jay for handling the matter.

Letter from Governor Strong stating negotiations which had been opened with the Federal Reserve Bank of New York by representatives of the Bank of Italy looking to an arrangement between the two institutions and asking the feeling of the Federal Reserve Board in the matter. Referred to Governor Harding that he might consult as to the proposed arrangements with the Secretary of the Treasury and the State Department, if necessary communicate with other Federal reserve banks in districts having business with Italy, and communicate to Governor Strong the result of his inquiries.

Letter from Federal Reserve Agent Perrin as to membership in the system of the Bank of Italy of San Francisco, with a memorandum from Counsel. Referred to the Governor that he might request Mr. Broderick to draw a letter to Federal Reserve Agent Perrin, this letter when prepared to be sent to Mr. Miller.

Suggestions of the Federal Reserve Bank of St. Louis that the by-laws for the branch bank at Louisville empower the head office to assign the banks which should do business

with the branch. Voted that the Board adhere to its original form of by-laws but that the suggestion be made to the Federal Reserve Bank of St. Louis that they report later as to territory, when the Board will give consideration to their recommendations.

Letter from Deputy Governor Treman suggesting the selection of representatives from each district to attend the meeting of the A.B.A. in September and defining the position of the Federal Reserve system as to clearing and collection. This was accompanied by a memorandum from Mr. Delano. Governor Harding was authorized to make reply.

A memorandum from Mr. Miller, to which was attached a letter from the Federal Reserve Bank of New York forwarding a resolution suggesting that the fee of a member of the Executive Committee not an officer of the bank be \$20 per meeting. After discussion it was voted to approve payment of \$20.

Letter from Secretary Redfield, enclosing a communication from J. H. Venon, Inc., New York, dated August 3, relative to the matter of Scandinavian exchange. In this connection Governor Harding read a letter written by him to the Postmaster General bearing upon the same subject.

No action was taken.

Governor Harding read a letter from Governor Strong relative to matters discussed between them on Governor Harding's visit to New York. This letter was noted.

A letter from Federal Reserve Agent Rich was presented, calling attention to crop conditions in the Northwest, and especially North Dakota, and suggesting their effect upon subscriptions to the next Liberty Loan. This letter was referred to Governor Harding that he might call it to the attention of the Secretary of the Treasury.

Mr. Hamlin presented a letter from Archibald Kains of New York, stating a request made to the American Foreign Exchange Bank to establish a credit for the Mexican Government. This letter was referred to Governor Harding that he might take it up with the Secretary of State and reply to Mr. Kains.

A letter from Federal Reserve Agent Wellborn, dated August 8, forwarding the application of the National Bank of Savannah, of Savannah, Ga., requesting permission to accept bills and drafts to an amount not to exceed 100% of their capital stock and surplus and recommending that the request be granted.

This application was approved.

At 11.45 the Committee adjourned.

APPROVED:

                      
Chairman.

*Quay*                       
Secretary.