

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Governor on Monday, July 8, 1918, at 3:10 P.M.,

PRESENT: Mr. Harding, presiding  
Mr. Warburg  
Mr. Hamlin  
Mr. Willis, Secretary

The question of rediscounting paper for the Federal Reserve Bank of St. Louis was presented and on motion it was voted to request the Federal Reserve Bank of Cleveland to re-discount \$7,500,000 for the St. Louis Bank with the endorsement of the St. Louis Bank. Rates were fixed at  $4\frac{1}{2}\%$  for acceptances,  $4\frac{1}{2}\%$  for 30 and 60 day maturities and  $4\frac{3}{4}\%$  for 90 day maturities.

A letter from Assistant Secretary William Phillips re the adjustment of Italian Exchange was presented and noted.

An application from the Federal Reserve Bank of Chicago for a change in its 90 day discount rate from  $5\%$  to  $4\frac{3}{4}\%$  was presented. On motion it was voted to send the following telegram.

July 8, 1918.

McDougal, Governor,  
Federal Reserve Bank,  
Chicago.

Board approves proposed change from five percent to four and three quarters percent in your ninety day discount rate if deemed necessary for reasons set forth in resolutions stated your letter July sixth. Board hopes however that member banks in the Chicago District will be able to maintain a rate of two and one quarter percent on bank balances without any change in the Federal Reserve Bank rate with the understanding that when the reserve rate goes beyond five percent their rate shall be advanced to correspond. Board had hoped that the New York banks would adopt this rule and still believes they may do so.

Willis, Secretary.

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A letter from Assistant Secretary Leffingwell re the form of certificates of indebtedness to be used by the Treasury was referred to the Governor for reply.

A resolution of the Board of Directors of the Federal Reserve Bank of Philadelphia re payment of dividends and disbursement of earnings was read and noted.

A letter from Mr. J. A. Will accepting appointment as Federal Reserve Examiner was read and noted.

A report of Committee No. 1 dated July 3d, recommending approval of changes in salaries at Philadelphia was approved.

On motion the application of the Second Ward Bank of Milwaukee, Wis., was approved and the bank ordered admitted upon conditions named by Committee No. 2.

Appointments in the Division of Foreign Exchange at New York were on motion approved as follows:

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Date Effective</u>
Miss Grace Justus Hoffman,	Clerk	\$780	July 8, 1918
Miss Beatrice Bell,	File clerk	720	July 8, 1918
Miss Marion Lockwood,	File clerk	720	July 8, 1918
Miss Emma J. Miller,	Stenographer and Typist	900	July 15, 1918

A letter from Mr. C. E. Burnham, President of the Norfolk National Bank transmitting the views of the minority of the Board of the Federal Reserve Bank of Kansas City in the selection of a proposed site for a Federal Reserve Bank at Kansas City was presented, noted and ordered circulated.

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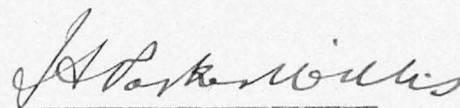
Telegrams regarding the establishment of a Branch Federal Reserve Bank at Little Rock, Arkansas, were presented and noted.

A memorandum of Counsel relative to the discounting of notes endorsed by non-member banks without recourse (dated July 3d) was presented and on motion approved for transmission.

On recommendation of Committee No. 1 it was on motion voted to grant to the First National Bank of New York permission to act as Registrar.

On recommendation of Committee No. 2 it was on motion voted to grant to the First National Bank of Seattle, Washington, permission to accept up to 100%.

On motion at 4 P.M., the Committee adjourned.

  
Secretary.

Approved:

  
Governor.