

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Governor at 3 P. M. on Tuesday, November 28, 1916,

PRESENT: Governor Harding, presiding,

Mr. Warburg,

Mr. Delano, Mr. Willis, Secretary.

Mr. Harding presented a letter from Federal Reserve Agent Wills transmitting a letter from the State Banking Commissioner of Pennsylvania unfavorable to permitting National banks to engage in insurance activities.

After discussion it was agreed that the Secretary transmit to Mr. Wills copy of the memorandum recently received from Counsel with respect to this matter.

Mr. Harding presented a copy of a letter written by Mr. J. P. Cotton to Mr. Elliott with respect to intervening in the Massachusetts case involving trust powers of National banks, and also a memorandum of Counsel with respect to the same. The documents were noted and ordered to be passed to file.

Mr. Harding presented a letter from Counsel addressed to the Comptroller of the Currency with respect to the

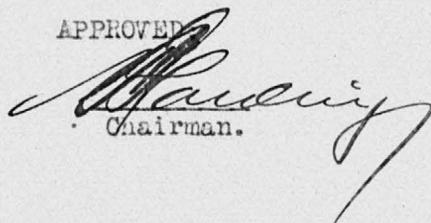
powers of the Committee on Issue and Redemption and the Executive Committee, holding that the Board has power to invest in either or both of these committees the authority to pass on issues of Federal Reserve notes. The contents were noted and the letters ordered passed to file.

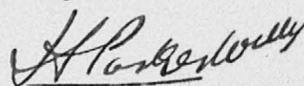
Mr. Harding presented a memorandum received from Chief of Division Broderick as to reports of member bank reserves, and the same was read. The Secretary was ordered to transmit a copy of Mr. Broderick's memorandum to Governor McDougal of Chicago who had first brought the matter to the attention of the Board, saying that the Board is inclined to think favorably of Mr. Broderick's recommendation for additions to the method of reporting, but considers the second, third and fourth suggestions as probably not now applicable.

Mr. Harding presented a memorandum from Counsel commenting on a recent opinion of Counsel McNabb of San Francisco as to the best place of keeping the reserves of State banks. After discussion it was agreed to submit the memorandum of Counsel to Federal Reserve Agent Perrin on his approaching visit to Washington.

On motion at 3:30 P. M. the Committee adjourned.

APPROVED


Chairman.


Secretary.