

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Governor at 3.45 p.m., on Tuesday, September 24,

PRESENT:

Mr. Harding,

Mr. Delano,

Mr. Warburg,

Mr. Willis, Secretary.

Present also, Mr. Albert Strauss, representing the Treasury Department.

The Ambassador of the Argentine Government (Mr. Naon) having been admitted to conference with the Committee, Governor Harding announced that he had received a letter signed by Assistant Secretary of the Treasury Crosby to the Department of State stating that the Treasury would make no objection to the shipment of Argentine gold out of the country, such gold now being held by the National City Bank of New York. Mr. Naon stated that the amount of gold involved was \$20,000,000. This was now earmarked. He would like to put it into a Federal Reserve Bank as a general deposit but upon condition that he should always be allowed to draw an equal amount in gold when he desired and to ship it without hindrance. He wished further to be allowed to build up his account with the Federal Reserve Bank, but as to such additions or increments he was willing to

take his chances of getting and shipping gold in the future.

President Merchant of the National Bank of Cuba, being admitted to conference with the Committee, asked that the Board allow shipments of \$1,000,000 in gold to Cuba, urging that it would tend to keep American currency at par. Mr. Merchant having withdrawn, discussion ensued and the Secretary of the Board instructed to say to him that while the Board will not decide his application unfavorably at this time, but prefers to hold it in abeyance, discussion of it will be resumed later.

Governor Harding stated that Counsellor Polk of the State Department had informed him that the State Department desired the Board to authorize a shipment of \$500,000 gold to Mexico, on behalf of the Financial Agency of the Government of Mexico. This was agreed to and the Secretary directed to notify the Mexican Ambassador by telephone and send instructions to the Customs Division of the Treasury and telegraph the Financial Agency of the Mexican Government. A new number was assigned to the application, as follows:

238. Ignacio Bonillas, Mexican Ambassador, \$500,00 gold, El Paso to Chihuahua. Approved.

Mr. Strauss presented a draft of the Customs Regulations regarding coin and currency in the hands of outgoing travelers which had been agreed upon by the Treasury Department. On motion, the same was approved by the Board as follows:

1. That no declaration be required from passengers except passengers by steamship.
2. That a notice, of the form attached hereto, but signed only by the Secretary of the Treasury, not by the Federal Reserve Board, be posted in all post offices near the border and in all custom houses.
3. That the notice be furnished in the form of small printed slips to the principal railroads selling tickets to Canada and Mexico, with the request that the station agents hand such slips to passengers buying tickets to points in those countries.
4. That the same slips be furnished to steamship companies, with the request that they be handed to passengers buying tickets for points outside the United States and that there be required from such steamship passengers a declaration in the form hitherto agreed on.
5. That the Customs Division be requested to enforce these regulations in such manner as to create as little friction as possible.
6. The Federal Reserve Board will request the Federal Reserve Banks to send copies of the notice to travelers to all banks located in border towns.

The Secretary of the Board was directed to give to the press the Board General Regulations respecting gold shipments.

The Committee then proceeded to the consideration of applications as follows:

17. W. R. Grace & Co., New York to Lima, Peru, \$200,000 gold disks. Approved.

225. Irving National Bank, \$250,000 gold coin, New York to Calcutta. Declined.

226. Guaranty Trust Co., \$1,500,000 gold bars, New York to Valparaiso, Chile. Declined.

227. Guaranty Trust Co., \$2,500,000 gold bars New York to Valparaiso, Chile. Declined.

228. National Park Bank, \$500,000 gold New York to Havana. Declined. (For Pedro Gomez Mena.)

229. American Express Co., R. W. Gooding Agent, \$100. in Canadian coin, Presque Isle, Me., to Montreal. Approved.

230. Ames Harris Neville Co. \$250,000 gold, San Francisco to Hongkong. Approved.

231. Ti Hang Lung & Co., \$20,000 gold, San Francisco to Hongkong. Approved.

232. Canadian Pacific Railway Co., currency from various points to Montreal. Approved for round amount. (Application to be filed later.)

233. Lacaud & Son, San Antonio via Laredo to Tampico, Mexico, \$100,000 U.S. currency. Approved if in Federal reserve notes, U. S. notes or national bank notes.

234. H. M. Newhall & Co., San Francisco, £300,000 gold from San Francisco to Calcutta. Tabled.

235. Bank of Canton, San Francisco, \$20,000 gold to Hongkong. Declined.

236. Canadian Bank of Commerce, 900,017.95 ounces silver bar, to Calcutta. Approved.

237. Son Loy & Co., San Francisco, \$10,600 gold to Hongkong. Declined.

The Secretary of the Board was authorized to permit transfers of shipments already approved from one steamer to another one when necessary.

At 5.25 the Committee adjourned.

APPROVED:

Chairman.

A. Parker Willis
Secretary.