

At a conference held in the office of the Governor
on Thursday, October 11, at three p.m.,

PRESENT:

Mr. Warburg, presiding,
Mr. Albert Strauss, representing the Treasury Department,
Mr. Auchincloss, representing the State Department,
Mr. Henry Bruere, of the American Metals Company,
Mr. William Loeb, of the American Smelting and Refining
Company,
Mr. Willis, Secretary.

Discussion begun at the conference held this morning
in the office of Assistant Secretary Rowe with respect to the
gold requirements of the Mexican Government, was continued,
and informal agreement was arrived at with reference to a plan
for releasing gold sufficient to meet these requirements, it
being understood that at the same time the Mexican Government
would alter or suspend the provisions of its recent decree re-
lating to the exportation of gold and silver. It was agreed
to transmit to the American Ambassador at the City of Mexico
the substance of a memorandum embodying this agreement as fol-
lows:

"In order to conserve the national gold supply, the
Federal Reserve Board has found it necessary to re-
fuse applications for export of gold even to friendly

neutrals, where distinctly American trade was involved.

"At the request of the State Department the Board has made an exception in dealing with Mexico and has, since this request was made by the State Department about a week ago, licensed exportations of gold to Mexico to an extent of upwards of \$7,000,000, which pending applications will probably within a day or two increase to \$8,000,000 or more.

"As a matter of general policy the Board has made no effort to retain silver, but has permitted its unrestricted export. In view, however, of Mexico's particular conditions, which have been explained to us, and their desire to dispose of silver against gold, the Board has made an exception also in this respect and the Treasury, with which the Board is co-operating in all these matters, has today authorized the U. S. mint to negotiate for a purchase from or sale for Mexico of 6,000,000 pesos of silver, to be paid for to Mexico in gold.

"Further, the Board is favorably disposed to facilitate such sales of Mexican silver through the United States in the future.

"The Board is also favorably disposed to allow the export of gold to Mexico for all purposes, including Government and commercial, as follows: During the month of November not exceeding \$5,000,000; and for each of the four following months, not exceeding \$2,500,000; the total during October not to exceed \$10,000,000, including applications already granted.

"The adoption of this friendly policy and the arrangements so far made are predicated upon the following steps to be taken by Mexico; which steps we are advised the Mexican Government is favorably inclined to take.

"(1) Mexico to repeal that part of its recent decree which compels exporters of ores to give bond for the re-importation of an amount of gold equal to the gold content of the exported ore;

"(2) Also to repeal that portion which compels exporters to give bond for the re-importation of an amount of gold equal to 25% of the value of the silver content of the exported ore;

"(3) Mexico to repeal the embargo on the export of gold to the United States, but to maintain and rigidly enforce the embargo on the export of gold to all other countries;

"(4) Mexico to maintain that part of the decree whereby American gold is accepted at par in payment of customs duties, taxes and other amounts due to the Mexican Government."

At 4 p. m. the Conference adjourned.

APPROVED:

J. P. ...
Secretary.

Chairman.