

At a special meeting of the Federal Reserve Board held in the office of the Governor on Thursday, November 1, at three p.m.,

PRESENT:

Mr. Harding, presiding, Mr. Miller,
Mr. Warburg, Mr. Williams,
Mr. Delano, Mr. Willis, Secretary.
Mr. Hamlin,

By unanimous consent it was voted to take up the application of the National State Capital Bank of Concord, N. H., for fiduciary powers, and, on motion, the same was granted as trustee and registrar of stocks and bonds.

Under the same conditions the report of the Committee on Audit and Examination approving a salary of \$2700 for Examiner L. H. Patton, was taken up and approved, and the Secretary directed to notify the Comptroller of the Currency accordingly.

The special business of the day being taken up for consideration the Secretary of the Board read a memorandum prepared by Mr. Warburg and addressed to the Secretary of the Treasury with reference to the creation of a Federal War Loan Bank. General discussion ensued, and Mr. Miller

proposed that the Board consider three problems, as follows:

1. How to relieve the present savings bank situation.
2. Priority in the extension of credit to different industries.
3. The question of the extension of credit where needed to manufacturers and business men during the war.

No action was taken with reference to this proposal, but after further discussion it was, on motion, voted that the emergency now impending is such as to call for the consideration of immediate relief to the securities situation, and especially to the savings banks of the country, when needed. Each member of the Board was individually called upon for an expression of opinion, and stated his view that conditions were such as to call for some practical remedy.

Mr. Warburg stated that he wished to place before the Board the question whether in the opinion of the members credit, where needed, shall be given, or aid extended by (1) the Government, or (2) the Federal Reserve system through suitable amendment, or (3) any outside organization. Each member of the Board was thereupon asked his opinion as to alternative No. 2 relating to the reserve system, and replies were as follows:

Mr. Williams,	Yes
Mr. Delano	No
Mr. Miller	No (Mr. Miller added that he would, however, rather act through the F.R. system than through some outside corporation).

Mr. Hamlin	No
Mr. Harding	No
Mr. Warburg	No.

The other alternatives were not formally considered.

Discussion of the general economic situation produced by the war, ensued.

Mr. Miller moved that if upon inquiry it should appear that the savings banks of the country had not sufficient collateral to get from banks accommodation based upon Government obligations, that some plan be provided for a qualified membership in the Federal Reserve system, which would enable such savings banks to obtain accommodation on collateral of the kind now held by them.

At the close of the discussion it was agreed that all members of the Board should be requested to amplify their ideas on the subject, and file them with the Governor of the Board.

The Comptroller of the Currency stated that within a few days he would be sending out a new call for condition of national banks, and that he wished to have the members of the Board consider whether there were any special questions they would like to have incorporated therein.

On motion, at 5.30 p.m. the Board adjourned.

APPROVED:

Chairman.

H. Parker Wells
Secretary.