

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Governor on Friday, November 2, at 10.30, am.,

PRESENT:

Mr. Harding,	Mr. Hamlin,
Mr. Warburg,	Mr. Willis, Secretary.
Mr. Delano,	

Present also, Mr. M. C. Elliott, Counsel of the Board.

Governor Harding presented business, and action was taken thereon as follows:

A letter from Governor Seay with reference to the new tax at the rate of two cents per \$100 on credit instruments, and inquiring as to an exemption for notes secured by Liberty Bonds was read and it was informally agreed to see what could be done as to an amendment to the law.

A letter from the Comptroller of the Currency inquiring as to whether members of the Board have requests for information which they would like to have obtained at the next call, as well as a letter from the Secretary of the Treasury transmitting a letter from Mr. Thomas B. Spencer of the Travelers Life Insurance Company, as to his experience with the second Liberty Loan, were read. It was informally agreed to ask the

Comptroller to inquire of the national banks whether any loans are being made by them for the purpose of withholding cotton, wheat and other food products from market, also the amount of Government bonds and obligations carried for their own accounts, and the amount loaned to subscribers with Government obligations as collateral. It was also voted in this connection to docket at the meeting of the Board this day the question of withdrawing the Board's commodity rate.

A letter from Deputy Governor Treman transmitting a letter from Mr. Chas. R. Tiffany stating that the Captain of a Spanish vessel had obtained \$15,000 in gold, was read and it was agreed to refer the matter to the Executive Committee sitting as the Gold Export Committee.

A letter from Federal Reserve Agent Wellborn transmitting certain complaints concerning exchange charges at Savannah made by the Shelby Vinegar Company, was referred back to Committee No. 1 with the suggestion that the matter be dealt with as at New Orleans.

A letter from Mr. Delano transmitting a report of a committee of treasury officers with reference to gold payments by the Treasury, was ordered docketed for the Board's

meeting this afternoon.

A letter from Assistant Secretary of the Treasury Crosby as to certificates of indebtedness for large tax payers, was laid on the table.

A letter from Mr. F. C. Parshall as to appointment on the Board of the Pittsburgh Branch, was read and noted.

The question of fiduciary powers for New York and Minnesota banks, ordered referred to the Attorney General of the United States, was discussed with Counsel, and Counsel directed to communicate with Mr. J. P. Cotton, the Governor to write a letter to the President asking for the submission of the matter.

A memorandum as to the preparation of a programme for the next meeting of the Federal Advisory Council, referred to the Governor by the Board, was discussed and the Governor asked the members for suggestions.

A letter from R. A. Ingersoll & Co., relative to foreign exchange, was read and noted.

A letter from the President transmitting a letter from the Attorney General of the United States commenting on an opinion of the Attorney General of Minnesota, who had held that State banks and trust companies in that State are prohibited

by law from investing more than 15% of their capital and surplus in Liberty Bonds, was read and noted.

A letter from Mr. J. R. Greenleaf of Lawrence, Kansas, addressed to the Secretary of the Treasury, and stating that time deposits now carried in national banks at 3% interest could be turned into new channels if the Federal Reserve Banks would cut their own rate to 2%, was read and noted.

A letter from Federal Reserve Agent Perrin as to the payment of gold certificates at the Subtreasury, was read and it was agreed to consult the Treasury authorities on the subject.

A letter from the Comptroller of the Currency transmitting a letter from the Superintendent of Banks of Ohio as to advice given by national banks to state bankers against joining the Federal reserve system, was read and it was agreed to suggest to the Comptroller to take no action at the present.

A letter from Mr. H. S. Black transmitted by Mr. Frank A. Vanderlip as to the matter of depositing Government bonds with banks, and documents prepared by Counsel of the Board relating to the same, were presented and

considered.

Governor Harding reported the result of an informal conference held on November 1 with Detroit bankers relative to the establishment of a branch in Detroit.

On motion, at 11.30 a.m. the Committee adjourned.

APPROVED:

A. Parker Willis
Secretary.

Chairman.