

At a regular meeting of the Federal Reserve Board held in the office of the Governor at three p.m., on Monday, November 5,

PRESENT:

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

Governor Harding made a brief statement of a conversation he had had with a representative of the New York Stock Exchange through the intermediation or appointment of Deputy Governor Case of the Federal Reserve Bank of New York.

The minutes of the meeting of the Board held on November 2 were read and, on motion, approved.

The minutes of the meetings of the Executive Committee held on November 3 and 5, were presented and, on motion, approved and the action therein set forth ratified.

Governor Harding presented and read a proposed programme for the meeting of the Board to be held with the Governors on November 6, and an outline of suggestions for the meeting of the Advisory Council to be held on November 19. Modifications were suggested and incorporated.

Governor Harding stated that Federal Reserve Agent Hardy in a visit of this day, had brought to his attention certain differences of view with respect to reserve requirements. Mr. Hardy had told the banks in his district that any deposit upon which they might claim time for payment was a time deposit under the law. He had informed Mr. Hardy that this interpretation was erroneous. If a deposit was subject to check, it was a regular demand deposit, even though time could be demanded for its payment, and must be so credited in figuring reserves. The Committee concurred in this view.

A letter from Mr. J. P. Jackson, President of the Alabama Bankers Association, as to the danger of runs on banks, was read and noted.

A letter from Federal Reserve Agent Wellborn stating that the next meeting of directors of the Atlanta Bank would be held on November 23 and December 13, and inviting the Board to send a representative, was called to the attention of the Committee, but no action taken.

On motion, at 4.14 p.m. the Committee adjourned.

APPROVED:

Chairman.

A. P. ...
Secretary.

The first of these is the fact that the
 government has a long history of
 intervention in the economy. This
 has been done in a variety of ways,
 including price controls, subsidies,
 and direct ownership of certain
 industries. The second is the fact
 that the government has a strong
 interest in the distribution of
 income. This has led to the
 creation of a progressive tax system
 and a social security system. The
 third is the fact that the
 government has a strong interest
 in the regulation of business.
 This has led to the creation of
 a number of agencies, including
 the Federal Reserve, the
 Securities and Exchange Commission,
 and the Federal Trade Commission.
 The fourth is the fact that the
 government has a strong interest
 in the provision of public
 services. This has led to the
 creation of a number of public
 utilities, including the
 Postal Service, the National
 Aeronautics and Space
 Administration, and the
 National Institutes of Health.
 The fifth is the fact that the
 government has a strong interest
 in the protection of the
 environment. This has led to the
 creation of the Environmental
 Protection Agency and the
 National Environmental Policy
 Act.

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