

Upon motion duly made and seconded, it was voted that:

(1) In the event that the Treasury should decide to discontinue its present policy of sterilizing additions to the gold stock, the Board is prepared to favor the enactment of legislation granting the Board additional power to absorb excess reserves resulting from gold imports by increasing reserve requirements on deposit balances maintained by foreigners in this country; - but

(2) The Board is of the opinion that the grant and exercise of such power would not effectively accomplish the desired purposes, unless at the same time:

(a) The Treasury continues to maintain in its inactive gold account approximately the amount which has already been sterilized in that account; and

(b) Effective legislation is enacted to discourage foreign capital from coming to this country.