

At the adjourned meeting of the Federal Reserve Board held in the office of the Board at 8 p. m., Friday, August 28th.

PRESENT:

Mr. Williams	Mr. Delano
Mr. Hamlin	Mr. Miller
Mr. Harding	Mr. Warburg

Mr. Hamlin, Governor of the Board, presided, and Mr. M. C. Elliott acted as Secretary to the meeting.

Consideration of the proposed amendments to the Federal Reserve Act was resumed, and after general discussion the following were adopted as suggested amendments to be submitted to the chairman of the House Committee and chairman of the Senate Committee of Congress:

To amend and re-enact Section 11 so as to add to the powers of the Federal Reserve Board as follows -

- (m) To postpone or otherwise change the times of payment of the second and subsequent installments of subscriptions to the capital stock of the several Federal Reserve banks.
- (n) To postpone or otherwise change the dates when the reserve requirements prescribed for member banks in Section 19 of this Act shall be effective.
- (o) To change from time to time the relative proportions of its reserve which a member bank may be

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M. C. Elliott Sec'y.

required or permitted to carry respectively in its own vaults in the Federal reserve bank of its district or with approved reserve agents.

- (p) To permit member banks to count as reserve Federal reserve notes up to a maximum percentage to be fixed from time to time by it.

PROVIDED HOWEVER, that on and after the expiration of thirty-six months from the date of organization of a Federal reserve bank no member bank shall count as reserve any balance kept with any bank (except the Federal reserve bank) or trust company and,

PROVIDED FURTHER, that the aggregate requirements shall remain as prescribed by this Act - viz, against time deposits a reserve of not less than five per cent and against demand deposits for banks in central reserve cities not less than eighteen per cent, for banks in reserve cities not less than fifteen per cent, and for all other banks not less than twelve per cent.

To further amend Section 5200 of the Revised Statutes, amended by Section 13 of the Federal Reserve Act, so as to permit the following liabilities to be incurred in excess of the capital stock of member banks.

Liabilities on account of endorsement of checks for clearing house, of checks in transit, of foreign and domestic bills of exchange, and of foreign and domestic acceptances as limited and defined by the Federal Reserve Board,

PROVIDED, HOWEVER, that all obligations incurred by a member bank by reason of guarantees of time paper or by endorsement of foreign bills of exchange, and foreign and domestic

acceptances, shall be set forth in the statements of condition made by such banks to the Federal Reserve banks.

On motion the meeting adjourned to meet again on Monday, August 31st, at 11 a. m.

Secretary pro tem.

APPROVED:

Chairman.

Sec'y.