

At a special meeting of the Federal Reserve Board held in the office of the Board at 3:00 p. m., on Wednesday, February 2,

## PRESENT:

Mr. McAdoo, presiding      Mr. Williams

Mr. Hamlin                      Mr. Warburg

Mr. Delano                      Mr. Harding

Mr. Miller

Mr. Willis, Secretary.

The reading of the minutes was, by informal agreement, dispensed with.

On motion a rate of  $5\frac{1}{2}\%$  on maturities in excess of 90 days, established by the Federal Reserve Bank of San Francisco, was approved.

On motion it was voted that the Secretary of the Board write a letter to Honorable Robert Bridges giving the substance of the information obtained by the Board with reference to loans on grain certificates in the North-

west.

Mr. Warburg called attention to the question of an amendment to the Federal Reserve Act granting national banks power to loan on city real estate. On motion it was voted that the Board is in accord with the idea of such an amendment, and that Mr. Warburg be requested to draft its language for submission to the Board for final approval.

Mr. Harding moved that all recommendations of amendment and suggestions of changes in law now contained in the Annual Report be stricken therefrom, the right, however, to be reserved to submit a later and special report to Congress dealing with the whole question of amendment to the Federal Reserve Act.

After discussion the motion was withdrawn.

On motion the Annual Report in its present form was adopted as a whole, subject,

however, to further additions should the same be decided upon by the Board, and the Secretary was directed to obtain a fresh proof.

The question of additions to the report was then taken under consideration, and the matter of a recommendation relating to the conditions of making public deposits, and the control of reports of member banks, was discussed. Mr. McAdoo made a general statement outlining his position on these matters, and members of the Board stated their ideas on the subject in some detail.

Mr. Miller suggested that in lieu of making any lengthy additions dealing with this subject, there be simply added to the report a sentence stating that the Board had forborne to enter into controverted questions which might otherwise have been treated at some length.

No action was taken, but at 5:45 p. m.,

the Board adjourned to meet at 3:00 p. m., on  
Thursday, February 3, for further consideration  
of the Report.

J. P. [Signature]  
Secretary.

APPROVED:

[Signature]  
Chairman.