

At a special meeting of the Federal Reserve Board held in the office of the Board at 11:15 a. m., on Tuesday, March 7,

PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Williams Mr. Miller

Mr. Willis, Secretary.

The minutes of the morning and afternoon meetings of March 6 were read and approved, the minutes of the afternoon meeting subject to correction to be agreed upon by Mr. Harding and Mr. Williams and entered by the Secretary.

Mr. Delano presented the draft of a telegram to be sent to each Federal reserve bank with reference to the question of bond conversion. After discussion, the draft of the telegram was informally approved, Mr. Delano to be a special committee with power to transmit the message in final form.

An application presented by the Federal Reserve Bank of Philadelphia for power to increase its investments in warrants, was approved.

On motion an application of the Federal Reserve Bank of New York for \$1,000,000, in Federal reserve notes in \$5 denomination, duly recommended by the Committee on Issue & Redemption was approved.

An application of the Freeport National Bank of Freeport, Texas, for fiduciary powers, was on motion referred back to the Committee on Member and State Banks.

A memorandum presented by Mr. Jacobson, Chief of the Division of Reports and Statistics, relative to a new form for use in returning unfit notes, was referred to the Committee on Issue and Redemption.

On motion Mr. Delano and Mr. Harding were authorized to visit sundry Federal reserve

banks in accordance with a prearranged schedule the expense of the journey to be paid by the Board.

The question of the appointment of a Federal reserve agent at Richmond as the special order for the day, Mr. Miller moved to lay the subject on the table until the return of Mr. Delano and Mr. Harding from the proposed visit to the reserve banks, the matter to be made a special order for a meeting to occur immediately after their return. Full discussion ensued, and a vote being called for, resulted as follows:

Ayes - Mr. Hamlin, Mr. Williams and Mr. Miller.

Noes - Mr. Delano, Mr. Warburg and Mr. Harding.

So the motion failed to pass.

Mr. Harding offered a motion that Mr. Caldwell Hardy of Norfolk, Virginia, whose name had already been presented by him at a previous

meeting of the Board, be appointed a Class "C" director to serve out the unexpired term of Mr. William Ingle, resigned, at Richmond, Virginia, and that he be designated chairman and Federal reserve agent, his salary to be \$10,000 per annum.

Mr. Williams offered as an amendment or substitute a motion to consider the matter on Wednesday, March 8, at 11:00 a. m. A vote on Mr. Williams' substitute resulted as follows:

Ayes - Mr. Hamlin, Mr. Williams and Mr. Miller.

Noes - Mr. Delano, Mr. Warburg and Mr. Harding.

So the substitute failed of adoption, and Mr. Harding's original motion recurring, the vote resulted as follows:

Ayes - Mr. Delano, Mr. Warburg and Mr. Harding.

Present, but not voting - Mr. Hamlin, Mr. Williams and Mr. Miller.

Mr. Hamlin and Mr. Williams stated

that they were not prepared at this time to vote on this election with the information before them.

The Governor of the Board having declared himself in doubt as to whether Mr. Hardy could be declared elected, there being only three affirmative votes in his favor, with three present, but not voting, Mr. Miller stated that, in order to place the outcome beyond doubt, he would request that his vote be recorded in the affirmative.

The question being again put to vote, resulted as follows:

Ayes - Mr. Harding, Mr. Warburg, Mr. Delano and Mr. Miller.

Present, but not voting, Mr. Hamlin, Mr. Williams.

The Governor of the Board accordingly declared Mr. Hardy elected in accordance with the terms of Mr. Harding's motion, and the Secretary was directed to notify him accordingly,

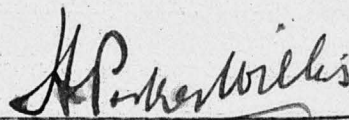
the information to be given to the press tomorrow morning.

Mr. Warburg presented a memorandum commenting upon the memorandum prepared by the Governor of the Board relative to lending conditions at the Federal Reserve Bank of Boston, and the same was ordered circulated without further discussion.


The question of the so-called Kern amendment to the Clayton Act as to which the opinion of the Board had been requested, was taken up for consideration, discussed, and an informal agreement reached to the effect that the Board would recommend that directors in national banks be allowed to hold directorships in not more than two other institutions under specified conditions and limitations, the details of the recommendation to be worked out by the Executive Committee and submitted at the next meeting of the Board.

The Committee on Staff presented a report on a recommendation transmitted by Counsel that the salary of Mr. George L. Harrison, Assistant Counsel, be fixed at \$4,500 per annum, effective April 1, 1916. This report was approved.

On motion at 12:55 p. m., the Board adjourned.


Secretary.

APPROVED:


Chairman.