

At a special meeting of the Federal Reserve Board held in the office of the Board at 11:15 a. m., on Thursday, March 9,

PRESENT:

Mr. Hamlin, presiding Mr. Harding

Mr. Williams Mr. Miller

Mr. Willis, Secretary

Mr. Elliott, Counsel.

On motion it was voted that the Executive Committee, during the forthcoming absence of Mr. Delano and Mr. Harding, consist of the Governor of the Board with Mr. Miller and Mr. Williams.

Mr. Hamlin reported to the Board a letter from Federal Reserve Agent Jay with reference to the question of a minimum holding of bonds by member banks. The letter was ordered filed.

Mr. Hamlin presented an inquiry from Senator Owen with reference to a proposed bill

to permit loans to member banks on special collateral. It was agreed to adhere to the amendment as to collateral recommended in the Annual Report of the Board, and to add nothing to it for the present at least, Senator Owen to be notified accordingly.

Mr. Harding moved to grant the application of the Federal Reserve Bank of Cleveland for power to purchase warrants up to a total of \$5,000,000.

Mr. Williams offered an amendment reducing the amount to \$4,000,000. On vote Mr. Williams' amendment was defeated, and the original motion recurring, was carried.

In answer to an inquiry from the Federal Reserve Bank of Boston as to whether bonds purchase from member banks could be transferred after April 1 and yet be included in the quarterly allotment, it was on motion voted that the position already taken by the

Board in this matter be reaffirmed.

The draft of a letter relating to the return of unfit notes to Federal reserve banks, reported by Mr. Miller, was read and approved, and the Secretary ordered to transmit it to the Federal Reserve Bank of Boston.

A report relating to the condition of the Federal Reserve Bank of New York, reported by Mr. Warburg (prepared before his departure), was ordered circulated.

It was informally agreed that the Secretary of the Board should inform the Federal reserve banks affected, of the absence of Mr. Warburg, and of the committee changes resulting thereto in so far as they are affected thereby.

On motion the Secretary of the Board was authorized to publish in the Federal Reserve Bulletin at the next date when earnings and expenses of Federal reserve banks are pub-

lished, a table showing the cost of the Governors' Conference separately presented, up to the date of publication.

The Secretary of the Board presented the usual weekly discount rate notices, calling attention to the fact that no changes had been requested. The discount rate notices were received and ordered filed.

The Secretary of the Board presented a letter from Federal Reserve Agent Jay relative to the withdrawal of national banks from the system, and on motion it was agreed to transmit a copy of the same to Honorable Carter Glass, Chairman of the Banking and Currency Committee of the House of Representatives.

A letter from Federal Reserve Agent Perrin, relative to the withdrawal of the Benton County National Bank of Corvallis, Oregon, was also read to the Board, and it was agreed that the Secretary should obtain from the

Comptroller of the Currency a statement as to whether he had any special information regarding this bank, and their reasons for leaving the system.

The Secretary of the Board read a letter from Federal Reserve Agent Perrin with reference to the question whether means could be found to prevent the State of California from discriminating against savings deposits in national banks. The matter was referred to the Executive Committee with power to take action.

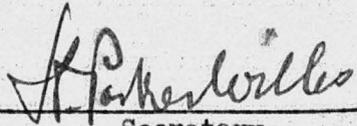
A letter to all Federal reserve agents with reference to the cost of laundering Federal reserve notes, was read to the Board and ordered transmitted.

On motion it was voted that the application of the Federal Reserve Bank of Cleveland for power to retain a \$5,000 bond issued by the Borough of Swissvale, Pennsylvania, ma-

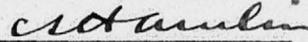
turing July 1, be approved.

The Secretary of the Board was directed to obtain a fresh page proof of the Board's proposed amendments to the Federal Reserve Act, and to transmit the same to Senator Owen and Mr. Glass.

On motion at 12:40 p. m., the Board adjourned to meet on Saturday, March 18, at 11:00 a. m.


Secretary.

APPROVED:


Chairman.