At a meeting of the Executive Committee held in the office of the Governor Monday March 12, at 9.50 a.m.,

PRESENT:

Governor Harding, presiding, Mr. Delano,
Mr. Warburg, Mr. Willis, Secretary.

Business was presented to the Committee and disposed of as follows:

Mr. Warburg stated briefly the situation as to the examination of the Cleveland Trust Company, and submitted a letter from President Goff.

A letter from Assistant Secretary Allen as to the use of room 179, Treasury Department, by the Board was read and noted.

Documents relating to the question whether transfers could be made by Federal Reserve Banks for member banks through the Gold Settlement Fund direct to other member banks were presented. The matter was discussed, with special reference to a proposed transfer to the Riggs National Bank, and was finally ordered placed on the docket.

A letter from Governor Seay with reference to the reserves now carried by the Federal Reserve Banks under the col-
lection system, stating that the present practice of computing reserves was not satisfactory and that collection items should not be deducted from deposit liabilities of Federal Reserve Banks was read. The matter was discussed and referred to Mr. Delano, with the aid of the Transit Expert.

A letter from Governor Seay with reference to requiring the purchase of bonds from outside the district in case bonds offered inside were less than a due proportion of the share of the Federal Reserve Bank, was read. It was agreed that the Governor should write, stating that it was undesirable to circularize member banks on the subject and that he should call the attention of Governor Seay to the prevailing practice.

A letter was presented from Governor McJord with reference to the purchase of bonds in the Atlanta District, inquiring whether he might take over certain bonds direct from banks which had offered them in advance of the official date. A telegram to be transmitted by the Governor, stating that the Board saw no advantage in such earlier transfer was approved and ordered transmitted.
Letters from Federal Reserve Agent Jay and Governor Rhoads with reference to bonds were read and it was agreed that the Governor reply that all data relating to bond allotments should be in hand before March 31st.

A letter from Federal Reserve Agent Wellborn stating that the Board of Directors of Atlanta had authorized the architect to draw plans for a building to cost not over $170,000, on the basis of normal prices, was read. It was agreed that the Governor should write and find out the actual cost that is contemplated.

A letter from Daniel Kelleher, of Seattle, with reference to the establishment of a branch Federal reserve bank in that city, was read and noted.

A letter from R. E. L. Johnson with reference to real estate loans was read and noted.

Letters from Federal Reserve Agents with reference to the joint custody of notes at reserve banks, were read and noted.

A letter from Federal Reserve Agent Jay with reference to the par basis for check collection in New York was read and it was agreed that the Governor send him an
outline of the proposed plan of taxation of non-member
bank checks.

A letter from Acting Governor Calkins, of San
Francisco, urging the preparation of a code was referred
to the Code Committee.

A letter from the Federal Reserve Bank of Kansas
City stating that the title of Vice Governor has been ab-
andoned and that of Deputy Governor substituted there was
read and noted.

A letter from Federal Reserve Agent Ramsey regarding
the cost of shipping notes to St. Louis raising the
question whether the charges for transportation should be
made now notwithstanding the notes are not in the possess-
ion of the bank was read and was referred to the Committee
on Issue and Redemption.

A letter from Federal Reserve Agent Wellborn as to
the cost of transmitting funds to the Treasurer was read
and referred to the Committee on Treasury Relations.

A letter from Assistant Secretary of the Treasury
Peters with reference to the Board's providing for the salary
of a special custodian of the vault at the Bureau of En-
graving and Printing, at a salary of $1400 per year, was referred to Mr. Warburg as a special sub-committee.

A letter from Federal Reserve Agent Wills with reference to the shipment of notes to Cincinnati and asking the determination of the treatment of serial numbers was read, and the following resolution was adopted:

Resolved, That henceforward requisitions for Federal reserve notes shall be supplied by shipping direct from Washington, the supply already in sub-treasuries to be regarded as an emergency stock and to be drawn upon only under exceptional conditions. No attempt shall be made to maintain the continuity of serial numbers. The issue of notes to the public without regard to the serial numbers of those held in sub-treasuries shall be authorized, all regulations to the contrary now in existence to be repealed.

A memorandum from Counsel asking for an appropriation of $420.50 for law books was approved.

A letter from the Federal Reserve Bank of Atlanta making a rate of 3½% on paper 15 days or less was ordered docketed, with favorable report.

A memorandum from Mr. Warburg with reference to the revision of discount schedules was ordered docketed for action by the Board.

On motion, it was voted that the Law Department be
instructed henceforward to keep a regular file of all amendments proposed or adopted affecting the Federal Reserve Act and changes therein.

The morning meeting of the Board was fixed for 11.30 o'clock today.

On motion, at 11.10 a.m. the Committee adjourned.

APPROVED:

[Signature]

Chairman.

[Signature]

Secretary.