

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Governor at 10.35 a.m. on Wednesday, March 14,

PRESENT:

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

Correspondence and business was presented and disposed of as follows:

A letter from Federal Reserve Agent Perrin asking whether the Board would approve the sale of a quarter of a million of Government notes on a 2-3/4% basis, was read, and Mr. Miller was authorized to communicate to Mr. Perrin that the Board would approve such action.

A letter from Federal Reserve Agent Perrin calling attention to the decline of investments of the San Francisco Reserve Bank, was read, and after discussion it was the consensus of opinion that continued conservatism would be desirable.

A letter from Federal Reserve Agent Jay expressing appreciation of the increase in his compensation was read and noted.

A letter from Federal Reserve Agent Rich to Mr. Hamlin relative to the discount of munitions paper, and also a proposed draft of a reply were read. The latter was considered but it was agreed that a letter be written simply stating that the reserve banks have no paper except that which is definitely authorized by law.

A letter from Federal Reserve Agent Perrin recommending the appointment of a professional code maker to prepare a code for Federal reserve banks, was noted but no action taken.

Correspondence with Federal reserve banks as to the joint custody and control of Federal reserve notes, was read but no action was taken.

A suggested change in the Board's proposed amendments to the Federal Reserve Act which would provide for such joint custody or control, was considered, and it was informally agreed that Counsel be asked to begin work thereon.

A letter from Governor Seay with reference to the opinion of Counsel interpreting the trade acceptance as being a bill of exchange drawn against actually existing values, published in the last Bulletin, was read; also a

draft of a reply to Mr. Seay's letter, prepared by Counsel. The draft was approved for transmission.

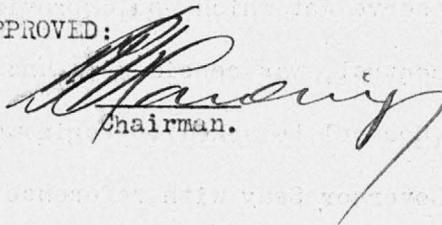
A report of the Committee on Staff, under date of March 13, approving of the transfer of Examiner Burrell to the New York District, and the appointment of Examiner Stearns in the Philadelphia District, was adopted.

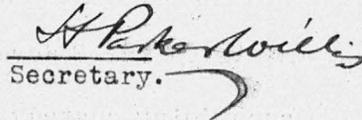
The Secretary of the Board was directed to telegraph Federal reserve agents informing them that they might release their annual reports for use in the newspapers of Friday morning, March 16.

Informal discussion of the salaries of Federal reserve agents ensued, but no action was taken.

On motion at 11.15 a.m. the Committee adjourned.

APPROVED:


Chairman.


Secretary.