At a regular meeting of the Federal Reserve Board held in the office of the Board on Monday, April 2, at eleven a.m.,

PRESENT:

Mr. Harding, presiding, Mr. Hamlin,
Mr. Warburg, Mr. Williams,
Mr. Delano Mr. Willis, Secretary.

The special order for the day, the selection of a Class C director at the Federal Reserve Bank of Boston, being taken up, it was, on motion, voted that Honorable Andrew J. Peters be named as Class C Director for the unexpired term of Mr. Walter S. Hackney, and that he also be designated as Deputy Federal Reserve Agent for the remainder of the current year, Governor Harding to notify him accordingly.

Governor Harding read a letter from the Comptroller of the Treasury with reference to the discounting of War Department vouchers at Federal reserve banks, in which he took a view generally tolerant of the proposed plan. The letter was noted and passed to file.

Attention having also been called to a letter of the Comptroller of the Treasury editorial criticism in the
press with reference to the Board's action in this matter, it was agreed that the Executive Committee should provide some additional material for the Bulletin with respect to it.

The Secretary of the Board read a letter from Assistant Attorney General Charles Warren enclosing reports as to the situation in Gary, Indiana, where it was stated that unrest existed among foreign bank depositors. After general discussion, it was, on motion, voted that the Governor be authorized to present the correspondence to the Secretary of the Treasury, and discuss the whole matter with him.

A letter from Federal Reserve Agent Jay with reference to the safety of funds in Federal reserve banks and the relation of the Government thereto, was referred to Governor Harding to bring to the attention of the Secretary of the Treasury for consultation.

A letter from Federal Reserve Agent Austin with reference to the payment of salaries to employees of the Federal Reserve Banks who might enlist in the army or navy, previously referred to Governor Harding, was reported and discussed, but, on motion, was laid on the table until the
meeting of Wednesday, April 4.

A notification that the fiscal agent of the Board had renewed his bond was called to the attention of the Board and referred to the Executive Committee.

A letter from Federal Reserve Agent Jay asking that note orders be automatically entered as supplies of notes are drawn down, was referred to the Executive Committee.

A letter from Counsel J. F. Curtis of New York reporting on the coinage of gold on behalf of Mexico was read, and, on motion, referred to Governor Harding with power to act after consulting the Secretary of the Treasury on the subject.

A letter from Federal Reserve Agent Perrin with reference to the custody or control of funds, and commenting on a letter of Federal Reserve Agent Perrin on the same topic, was referred back to the Governor.

An invitation addressed to Governor Harding to attend the Baltimore meeting of the Association of Reserve City Bankers on April 26, was noted and referred back to Governor Harding.
A report of the examination of the funds in the Federal Reserve Bank of Cleveland, transmitted by the Auditor of the Bank, was referred to the Committee on Operation of the Federal Reserve Bank of Cleveland.

The minutes of a meeting of the Committee on the Clayton Act held on Friday, March 30, were read and, on motion, approved and the action therein set forth ratified.

Governor Harding read a memorandum with reference to the weekly publication of official reports of transactions of clearing houses. The memorandum was referred to the Committee on Clearing.

On motion it was voted that there be placed on the list of subjects to be suggested by the Board to the approaching meeting of Governors of Federal Reserve Banks, the question of immediately applying the proposed plan for weekly reports of condition of member banks.

Governor Harding presented the question of amending the existing law so as to abolish the group system of electing Federal reserve bank directors. He stated that it had been suggested that in lieu thereof the banks be authorized to elect two Class A and two Class B directors,
voting according to stockholding interest, instead of on the present basis, the Federal Reserve Board to name five directors, and at the same time to alter the qualifications of such directors so that they would not be obliged to sell their holdings of bank stock in order to accept such appointments. He stated that the Secretary of the Treasury was considering the advisability of having some such change made. The matter was referred to the Committee on Law with instructions to report back to the Board.

Governor Harding having inquired whether the Board desired that a letter directing the attention of the Chairmen of the House and Senate Banking and Currency Committees of the Board's pending amendments, should be written, it was, on motion, voted that he should prepare and transmit such a letter to Chairmen Owen and Glass.

Governor Harding submitted a first draft of a letter addressed to the President of the United States, calling his attention to the necessity of the Board's amendments to the Federal Reserve Act, and suggesting that the need of action thereon be pressed upon Congress. The matter was referred to the Executive Committee which was authorized to forward to the President a letter following substantially
the lines of the draft read by Governor Harding.

On motion at 12.10 p.m. the Board adjourned to meet on Wednesday, April 4, at 10.30 a.m., in joint session with the Governors of Federal Reserve Banks.

APPROVED:

[Signature]
Chairman.

[Signature]
Secretary.