

At a meeting of the Executive Committee of the Federal Reserve Board held in the office of the Vice Governor on Wednesday, September 26, at 4.15 p.m.,

PRESENT:

Mr. Warburg, Mr. Hamlin,
Mr. Delano, Mr. Willis, Secretary.

The question of rates on 15 day paper at the Federal Reserve Bank of Cleveland being presented for action, it was, on motion, voted to telegraph Federal Reserve Agent Willis approving his proposed rate of $3\frac{1}{2}\%$ on 15 day paper secured by Government obligations, and 4% on similar paper running 90 days.

With reference to rates proposed at the Federal Reserve Bank of Kansas City, it was, on motion, voted to transmit the following telegram:

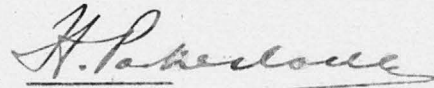
"Your letter September twenty-second. Most districts have a fifteen day rate of three and one half. Only Minneapolis and Kansas four per cent. Your increase to four and one half would bring your fifteen day rate out of line with other districts. If motive for increase as stated in your letter is mainly abuse of certain banks using their borrowing for renewals it is suggested that you refuse renewals for these banks and bring pressure on them to borrow at rate for sixty or ninety days. It would appear however that legitimate borrowers should not suffer in your district on account of abuse by some banks.

It was agreed at this time to take no action with reference to rates on short term paper at other Federal reserve banks.

On motion, it was voted to authorize the Vice Governor to say in response to an inquiry received from the Federal Reserve Bank of New York through Deputy Federal Reserve Agent Peabody, that the Executive Committee would recommend to the Board the approval of a salary of \$25,000 per annum in case of the appointment of Mr. J. Herbert Case, now Vice President of the Farmers Loan & Trust Company, as Deputy Governor of the Federal Reserve Bank of New York.

On motion, at 4.40 p. m. the Committee adjourned.

APPROVED:


Secretary.

Chairman.

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