

At a special meeting of the Federal Reserve Board held in the office of the Governor on Saturday, January 26, at 3.50 p.m.,

PRESENT:

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

Mr. Harding presented an advance copy of the Comptroller's annual report which had been placed in his hands, and called attention to a recommendation therein made in favor of the guarantee of certain bank deposits under specified conditions, noting that in his judgment the making of this recommendation under existing financial conditions was unwise.

Messrs. Hamlin, Warburg and Delano concurred with Governor Harding in the view that it was not well to present this recommendation at the present time. Mr. Hamlin stated that the great weight of the Comptroller's recommendation might give the matter an undue prominence and that heavy withdrawals from New England institutions might ensue. Mr. Delano called special attention to the savings bank situation in New England which, he said, was dangerous, and referred to a report recently made to him by Chief Examiner Broderick.

Mr. Williams sustained the recommendation, expressing the opinion that no harm could be caused by it.

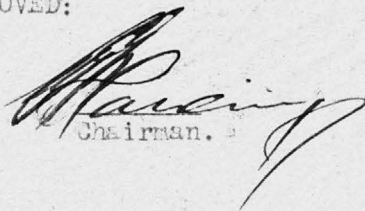
Mr. Harding stated that should it be retained in the report, the Board might feel called upon to make a statement expressing its opposition to the proposed plan.

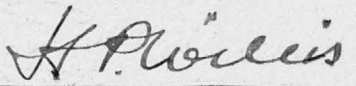
Mr. Williams said he recognized the right of the Board to take such action if it saw fit.

General discussion ensued.

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

APPROVED:


Chairman.


Secretary.