

At a special meeting of the Federal Reserve Board held in the office of the Board on Monday, March 15, 1920, at 4 P.M.,

PRESENT: The Chairman
The Governor
Mr. Miller
Mr. Hamlin
Mr. Williams
Mr. Chapman, Secretary.

PRESENT ALSO:
Mr. George L. Harrison, General Counsel.

Business was presented and disposed of as follows:

The Governor stated that in view of the heavy demands that would be made upon the Federal Reserve System by the Treasury Department beginning today, as a result of the shifting of funds consequent to payment of income taxes, the placement of the pending issue of Treasury certificates of indebtedness and the retirement of maturing Treasury certificates of indebtedness and War Finance Corporation bonds, it would be well for the Board to give consideration to the advisability of suspending the reserve requirements of Federal Reserve banks.

On motion duly seconded, the following resolution was adopted:

"WHEREAS, under the terms of Section 16 of the Federal Reserve Act it is required that every Federal reserve bank shall maintain reserves in gold or lawful money of not less than thirty-five per centum against its deposits and reserves in gold of not less than forty per centum against its Federal reserve notes in actual circulation, and

"WHEREAS, in view of the contemplated heavy demands of the Treasury Department upon the Federal reserve banks resulting from the shifting of funds consequent upon the

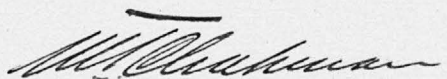
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payment of income taxes, the placement of the pending issue of Treasury certificates of indebtedness and the retirement of maturing Treasury certificates of indebtedness and War Finance Corporation bonds, and

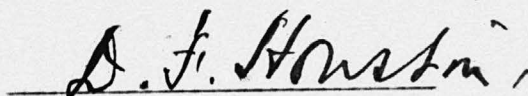
"WHEREAS, Section 11, sub-section (c) authorizes the Federal Reserve Board to suspend for a period of not exceeding thirty days any reserve requirement in the Federal Reserve Act,

"NOW, THEREFORE, BE IT RESOLVED that the requirement of Section 16 that reserves in gold or lawful money of not less than thirty five per centum against deposits shall be maintained by every Federal reserve bank is hereby suspended for ten days for any Federal reserve bank whose reserves against deposits fall below the amount so specified because of the demands of the Treasury Department referred to above.

At 4-30 P.M., the meeting adjourned.


Secretary.

APPROVED:


Chairman.