

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, October 28, 1925 at 2:45 p.m.

PRESENT: Governor Crissinger

Mr. Platt

Mr. Hamlin

Mr. Miller

Mr. James

Mr. Cunningham

Mr. Eddy, Secretary

PRESENT ALSO: Mr. Smead, Chief of the Division of Bank Operations.

Dr. Stewart, Director of the Division of Research and Statistics.

Mr. Wyatt, General Counsel.

The Governor presented a memorandum from Counsel dated October 28th, submitting draft of reply to letter dated October 22nd from the Director of the Bureau of the Budget requesting a statement showing the estimated expenditures of the Board for the fiscal years 1926-27, to be included in the budget for the fiscal year 1927; the proposed reply stating the opinion of the Board that it is not subject to the provisions of the Budget Act because of the fact that it gets no appropriation from Congress but defrays its expenses out of assessments levied by it on the Federal Reserve banks as provided in Section 10 of the Federal Reserve Act and stating further that a detailed statement of its expenditures is published each year in its Annual Report.

After discussion, it was voted to refer the above matter to the Governor with power.

The Governor then presented the matter ordered circulated at the meeting on July 2nd, namely, report of the Federal Reserve Agents' Committee on Member Bank Reserves.

The Board then discussed individually with the members of its staff present the various

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recommendations of the Committee for changes in the reserve requirements now in effect, the majority of which would require amendments to the Federal Reserve Act before becoming operative.

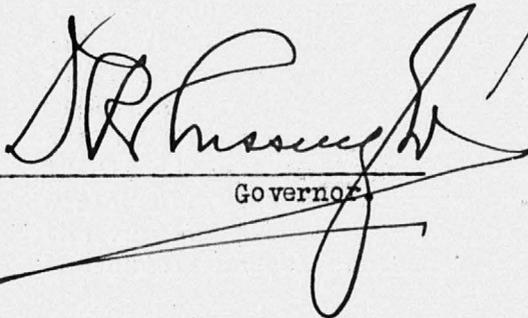
Mr. Winston, Under Secretary of the Treasury then entered the meeting and discussed the particular recommendation of the Committee that the Federal Reserve Act be amended so as to again require reserves against government deposits.

After full discussion, it was voted to refer the report to the special committee of Governors and Federal Reserve Agents appointed by the Board to consider necessary banking legislation, a meeting of which will be held in Washington within the next few days.

Messrs. Winston, Smead and Wyatt then withdrew from the meeting and Dr. Stewart discussed with the Board at length the present business and credit situation.

The meeting adjourned at 4:45 p.m.

Approved:



Governor

Secretary.