

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, October 21, 1931, at 2:50 p. m.

PRESENT: Governor Meyer  
 Mr. Hamlin  
 Mr. Miller  
 Mr. James  
 Mr. Magee  
 Mr. Morrill, Secretary  
 Mr. McClelland, Assistant Secretary.

ALSO PRESENT: Mr. Mills, Under Secretary of the Treasury  
 Mr. Harrison, Assistant to the Governor  
 Mr. Wyatt, General Counsel.  
 Mr. Smead ) Members, System  
 Mr. Goldenweiser ) Committee on  
 Mr. Fleming ) Reserves.  
 Mr. Riefler, Secretary of the Committee.

Governor Meyer stated that Mr. Mills was invited to attend the meeting so that he might have an opportunity to hear and participate in the discussion of the plan of the System Committee on Reserves, particularly such phases as may be of interest to the Treasury.

Mr. Smead reviewed generally the plan for computing reserves of member banks which the Committee has in mind to recommend, and called attention to the proposed requirement that member banks carry reserves against Government deposits, which under the present law are excepted. During the discussion of this matter which followed, Mr. Mills expressed the opinion that the inclusion of Government deposits in the operation of reserve requirements, as contemplated by the Committee, would be disadvantageous to the Treasury in connection with its financing program.

Mr. Mills then left the meeting.

After the other features of the plan had been discussed, Mr. Smead reported that during the recent visits of the Committee to the Federal Reserve Banks its proposals in each case were very favorably received as to all of the fundamental principles, although the Federal Reserve Bank officials consulted did not feel that they could at this time express definite opinions on all

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details. He also advised the Board of a conference which the Committee had this morning with representatives of the American Bankers Association and the Association of Reserve City Bankers, during which the bank representatives appeared to be very much in favor of all of the features of the plan which the Committee has in mind. He further reported that the Committee hopes to be able within the next few days to submit its final report to the Board and the Federal Reserve banks.

The meeting adjourned at 4:15 p.m.

Walter Howell  
Secretary.

Approved:

Ernest C. Hunter  
Governor.