

RESOLUTION ADOPTED BY THE FEDERAL RESERVE BOARD,
Tuesday, March 28, 1916.

W H E R E A S , It appears from statement furnished the Board by the office of the Secretary that eleven out of the twelve Federal reserve banks have purchased in the open market bonds in excess of the amount which might be allotted to such banks at the end of this quarterly period on a basis of one-fourth of twenty-five million dollars which the Board had considered allotting at this time, and

W H E R E A S , The bonds offered for sale through the Treasurer under Section 18 of the Federal Reserve Act aggregate more than twenty times the amount which might be allotted on the basis indicated, and it will, therefore, be possible on this basis to sell for each member bank less than five per cent of the amount offered for sale, and

W H E R E A S , It appears that the only Federal reserve bank which has not purchased in the open market bonds in excess of the amount which might be allotted to it is under contract to purchase a sum very largely in excess of its allotment and has been prevented from consummating such purchase by reason of the fact that more than nine million dollars in lawful money has been deposited with the Treasurer during the current month to retire circulation by national banks and the banks under contract to sell are thereby prevented from making delivery.

NOW, THEREFORE, BE IT RESOLVED, That it is the sense of the Board that no necessity exists for enforcing the requirement provided for under Section 18 of the Federal Reserve Act at the end of this quarterly period ending March 31, 1916, and that it will not at this time require the Federal reserve banks to purchase any of those bonds which are offered for sale by member banks through the Treasurer of the United States under the provisions of Section 18.

BE IT FURTHER RESOLVED, That the Secretary be instructed to send a copy of this resolution to the various Federal reserve banks and to the member banks which have offered bonds for sale in order that they may be notified of the action of the Board in the premises.