

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, June 7, 1921, at 12 o'clock noon.

PRESENT: Vice Governor Platt
 Mr. Hamlin
 Mr. Miller
 Mr. Mitchell
 Mr. Crissinger
 Mr. Hoxton, Secretary.

Minutes of the two meetings of the Board held on June 3d and 4th, respectively, were read and on motion, approved.

The Vice Governor reported the reserve positions of the several Federal reserve banks as at close of business June 3d and 4th and the status of rediscounts between the Federal reserve banks as of the same dates.

The Vice Governor reported rediscount transactions, member bank promissory notes secured by Government obligations, rate $6\frac{1}{2}\%$, as follows:

| <u>Date</u> | <u>Bank redis-</u> <u>counting</u> | <u>With</u> | <u>Amount</u> | <u>Maturities</u> |
|-------------|---------------------------------------|-------------|---------------|-------------------|
| June 6th | Richmond | New York | \$5,000,000 | 11-15 days |

Telegram dated June 6th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting the Board's approval of the appointment of Mr. H. F. Wilson as Assistant Examiner.

Approved.

Telegram dated June 4th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the appointment of Mr. Louis H. Moore, at salary of \$6,000 per annum, to assume charge of the collection of rediscounted paper accepted from banks now in course of liquidation.

Approved.

Letter dated June 4th, from the Chairman of the Federal Re-

serve Bank of Atlanta advising the Board that the Board of Directors of that Bank had voted that the Building Committee should proceed to get bids on the proposed addition to the building in Atlanta.

Approved.

Letter dated June 3d, from the Federal Reserve Agent at Boston, with reference to House Bill #6040, introduced by Mr. Robert Luce, of Massachusetts.

Referred to Mr. Hamlin for reply.

Draft of letter addressed to all Governors of Federal reserve banks with regard to comments by the Board of recommendations made by the Governors of the Federal reserve banks at their conference with the Board April 12th to 15th, 1921.

Referred to the Vice Governor for inspection and subsequent circulation among members of the Board.

Application dated June 1, 1921, of the American Trust Company of Boston, for authority to accept drafts and bills of exchange up to 100% of its capital and surplus.

Approved.

The Vice Governor stated that he had this morning received advice that Mr. John W. Davis has consented to act as Special Counsel for the Federal Reserve System in the trial of the par collection case instituted by certain banks against the Federal Reserve Bank of Atlanta.

No action,- pending written advice from Mr. Davis.

Letter dated June 6th, from the Chairman of the House Committee on Banking and Currency, requesting the opinion of the Federal Reserve Board on House Bill # 2174, providing for the creation of a National Depositors' Guarantee Fund in each Federal Reserve District.

Referred to General Counsel.

Letter dated June 1st, from the Chairman of the Federal Reserve Bank of Chicago, referring to the Board's circular letter X-3129 and making suggestions relative to the collection of checks deposited for credit in the general account of the Treasurer of the United States.

Referred to the Vice Governor.

Letters dated June 6th, from the Federal Reserve Bank of New York, listing the names of employes engaged and discontinued during the month of May.

Noted.

Letter dated June 4th, from Mr. M. B. Angell, Assistant Counsel of the Federal Reserve Board, tendering his resignation as Assistant Counsel of the Board, effective after the close of business June 30, 1921.

Upon motion, Mr. Angell's resignation was accepted with regret.

Letter dated May 31st, from Miss Florence E. Smith, tendering her resignation as Card Puncher in the Division of Reports and Statistics.

Upon motion, accepted, to take effect at close of business June 15, 1921.

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Memorandum dated June 6th, from the Assistant to the Governor, recommending the appointment of Mr. F. F. Laufer as Telegraph Operator, in place of Mr. R. S. Ridgdell, resigned, at a salary of \$165. a month.

Approved.

Upon motion of Mr. Miller, the following was ordered docketed as special order business to come before the meeting of the Board tomorrow, Wednesday, June 8th:

"It is the opinion of the Federal Reserve Board after prolonged consideration of the existing economic, business, financial and credit situation in the country at large and in the several reserve districts, all points of view having been presented and discussed, that the situation would not be adversely, but rather would be beneficially, affected by a reduction of the discount rate on commercial paper from $6\frac{1}{8}\%$ to 6%. The Board requests each bank now having a $6\frac{1}{8}\%$ commercial rate to give consideration to the question of reducing that rate to 6%, and to advise the Board of its disposition."

REPORTS OF COMMITTEE NO. 1:

Dated June 7th, Recommending changes in stock at Federal reserve banks, as set forth in the auxiliary minute book as of this date.

Approved.

Dated June 4th, Recommending certain action on applications for fiduciary powers, as set forth in the auxiliary minute book as of this date.

Approved.

Dated June 2d, Recommending admission of state institutions, subject to the conditions stated in the individual reports attached to the applications, as set forth in the auxiliary minute book as of this date.

Approved.

At 12:55 p.m. the meeting adjourned.

Approved:

Edmund Platt
Vice Governor.

D. W. Horton
Secretary.