

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, June 8, 1921, at 11:30 a.m.

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

Minutes of the meeting of the Board held June 7th 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 6th and the status of rediscounts between the Federal reserve banks as of the same date.

The Vice Governor stated that the special order business docketed for discussion at this meeting was the resolution offered yesterday contemplating a reduction at certain of the Federal reserve banks of the discount rate upon commercial paper from $6\frac{1}{2}\%$ to 6%.

After discussion, it was agreed to defer action upon this matter, at least until the views of the absent members of the Board can be ascertained.

Letter dated June 7th, from the Chairman of the Federal Reserve Bank of Philadelphia, setting forth the contemplated changes in the business activities of a certain Class B Director of that Bank, and inquiring whether, under the circumstances, the said Director will be eligible for re-election.

Referred to General Counsel.

Letter dated June 7th, from the Director of the Division of Analysis & Research, requesting authority to incur the necessary expenditures incident to the removal of the Division into new quarters.

Approved.

Draft of proposed circular letter, dated June 8th, addressed to all chairmen and governors, transmitting the copy of an opinion recently rendered by the Supreme Court of Missouri, to the effect that $3\frac{1}{2}\%$ Liberty Loan fully paid interim certificates are negotiable instruments, transferable upon delivery.

Upon motion, the circular letter was approved, ordered mimeographed, together with the opinion aforesaid, and transmitted to all chairman and governors.

Letter dated June 7th, from Mr. John W. Davis, advising of his willingness to undertake the duties of Special Counsel in the trial of the par collection suit brought by certain banks against the Federal Reserve Bank of Atlanta.

Approved and referred to the Vice Governor for reply, it being the sense of the meeting that Mr. Davis should be reminded that all expenses and fees in connection with his participation in this case will, of necessity, be subject to the approval of the Federal Reserve Board.

Letter dated June 3d, from the National Foreign Trade Council, setting forth the difficulties encountered by merchants trading with the Argentine, due to the embargo placed by the Argentine Government upon American gold coin received in the settlement of transactions with that country.

Referred to the Vice Governor.

Draft of circular letter, dated June 6th, addressed to all Federal reserve banks, giving instructions relative to the closing of books on June 30, 1921 at all Federal reserve banks, and also enclosing a form of dividend resolution.

Approved.

Memorandum dated June 7th, from the Statistician of the Board, requesting authority to appoint an additional assistant in the Library, at a salary of \$1600 per annum, and requesting authority for the Librarian to attend officially the American Library Association Conference to be held June 20th to 25th, at Swampscott, Mass., with the understanding that the Board will pay the travelling expenses and the customary per diem allowance.

Approved.

Upon recommendation of Mr. Hamlin, it was voted that six thousand copies of the Index Digest of the Federal Reserve Bulletin be printed, instead of the three thousand originally authorized.

Letter dated June 6th, from the Fourth Atlantic National Bank of Boston, Mass., requesting authority to accept drafts drawn for the purpose of furnishing dollar exchange by banks or bankers in those countries which have previously been approved by the Federal Reserve Board under Section 13 of the Federal Reserve Act.

Approved.

Letter dated June 7th, addressed to Mr. Miller, from the Managing Director of the War Finance Corporation, quoting the Board's press statement, X-3133, released June 6, 1921, to the effect "that the Federal reserve banks are prepared to extend liberal credits to member banks, and through them to non-member banks, for these and other productive requirements of their customers", and inquiring if the Federal reserve banks will be permitted to extend accommodations under this provision to non-member banks upon paper secured by Liberty Bonds and Victory notes.

Referred to Mr. Miller for reply.

REPORTS OF COMMITTEE NO. 1:

Dated June 6th, Recommending approval of the application of Mr. Gordon Hollis to serve at the same time as Director and President of the Drovers National Bank of Denver, Col. and as Director and President of the Broadway Bank of Denver, Col.

Approved.

At 1:15 p.m. the meeting adjourned.

W. W. Houston
Secretary.

Approved:
Edward Platt
Vice Governor.