

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, June 21, 1921, at 11:00 a.m.

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

The minutes of the meeting of the Board held June 20th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business June 18th and the status of rediscounts between the Federal reserve banks as of the same date.

The 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 20th	Minneapolis	New York	\$3,000,000	11-15 days
June 20th	Dallas	Boston	1,500,000	11-15 days

Two letters dated June 16th from the Chairman of the Federal Reserve Bank of Dallas, recommending that the bank be authorized to make certain charge-offs at the closing of the books on June 30th, thereby reducing the carrying value of the bank building at Dallas, and the branch building at El Paso, said charge-offs being made not in accordance with the terms of the Board's circular letter upon this subject, X-3136, dated June 8, 1921.

The Secretary was instructed to advise the Federal Reserve Bank of Dallas that the Board approves of no charge-offs not in entire conformity with the requirements of previous circulars issued on this subject.

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Letter dated June 15th, from the Chairman of the Federal Reserve Bank of Dallas, enclosing a resolution of the Board of Directors of that bank providing for the payment of a dividend for the six months period ending June 30, 1921, at the rate of 6% per annum on the paid-in capital stock, payable on the 30th day of June, 1921, to all stockholders of the bank as shown by the books of the bank on that date.

Approved.

Letter dated June 4th, from the Clearing House Section of the American Bankers Association, extending an invitation to the Chief Examiner of the Federal Reserve Board and the head examiner of each district to be present at a conference to be held at Los Angeles, California, October 2-6, 1921.

Referred to Governor Harding.

Letter dated June 19th, from the Assistant Treasurer of the United States, advising of the receipt of an application from the First National Bank of Addington, Okla., for the sale of \$25,000 in 2% Consols of 1930.

Referred to Governor Harding, with the request that he advise the Assistant Treasurer of the United States that the Federal Reserve Board is not at this time requiring the Federal reserve banks to purchase Government bonds, and suggest that inasmuch as the market price of these bonds is above par that the applying bank dispose of these holdings upon the open market.

Memorandum dated June 6th, from Mr. Herson, recommending that the Mercantile Bank of the Americas be required to furnish the Federal Reserve Board with copies of certified public accountant's reports of the condition of its subsidiary trading companies.

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Referred to Governor Harding, with the request that he take the matter up with General Counsel, it being the sense of the meeting that the Board should get all information possible concerning the said subsidiary trading companies.

Letter dated June 17th, from the Chairman of the Federal Reserve Bank of Chicago, transmitting recommendations for adjustments in the salaries of the employees, effective July 1, 1921.

Referred to Mr. Mitchell for report.

Letter dated June 16th, from the Chairman of the Federal Reserve Bank of Dallas, advising that the Board of Directors of that bank had, subject to the review and determination of the Federal Reserve Board, reduced the discount rate upon commercial paper from $6\frac{1}{2}\%$ to 6% .

Approved, Mr. Platt voting "No".

Letter dated June 20th, addressed by Mr. Mitchell to Mr. Washburn, Vice President of the Continental and Commercial National Bank of Chicago, outlining a plan whereby paper arising from loans made to cattle interests by the proposed cattle loan pool shall be issued in a form which will make such paper eligible for rediscount at the Federal Reserve Banks.

Approved.

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Memorandum dated June 21st, from the Fiscal Agent of the Federal Reserve Board, submitting an estimate for the general expenses of the Board for the ensuing six months.

Upon motion, the following resolution was unanimously passed:

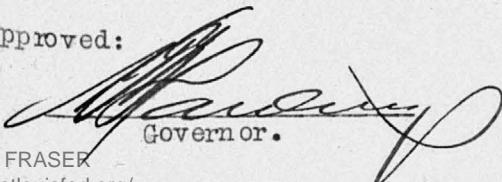
"Whereas, under Section 10 of the act approved December 23, 1913, and known as the Federal Reserve Act, the Federal Reserve Board is empowered to levy semi-annually upon the Federal Reserve Banks in proportion to their capital stock and surplus an assessment sufficient to pay its estimated expenses, including the salaries of its members, assistants, attorneys, experts, and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year; and

"Whereas, it appears from estimates submitted and considered that it is necessary that a fund equal to twelve hundredths of one per cent (.0012) of the total paid-in capital stock and surplus of the Federal Reserve Banks be created for the purpose hereinbefore described, exclusive of the cost of engraving and printing of Federal Reserve notes; Now, therefore,

"Be it resolved, That pursuant to the authority vested in it by law, the Federal Reserve Board hereby levies an assessment upon the several Federal Reserve Banks of an amount equal to twelve hundredths of one per cent (.0012) of the total paid-in capital and surplus of such banks as of June 30, 1921, and the Fiscal Agent of the Board is hereby authorized to collect from said banks such assessment and execute, in the name of the Board, receipts for payments made. Such assessment will be collected in two installments of one-half each; the first installment to be paid on July 1, 1921, and the second half on September 1, 1921."

At 1:40 p.m. the meeting adjourned.

Approved:


Governor.


Secretary.