

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, July 28, 1921, at 11:10 a.m.

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

Minutes of the meeting of the Board held July 27th were read and on motion approved.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business July 26th, 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%, as follows:

<u>Date</u>	<u>Bank redis-counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
July 27th	Richmond	New York	\$5,000,000	11-15 days
July 27th	Atlanta	Boston	1,000,000	1-90 days (Commercial)
July 27th,	Minneapolis	New York	1,000,000	1-90 days (Commercial)
July 27th,	Dallas	Boston	500,000	11-15 days

Letter dated July 22d, from the Controller of Administration of the Federal Reserve Bank of Chicago, informing the Board of the employment by that Bank of Mr. Allen R. LeRoy, on July 1st, at a salary of \$4,000 per annum, and assigned him to the Credit Department.

Approved.

For the information of Mr. Platt, who was absent at the meeting yesterday, Governor Harding referred to the action taken by the Board in reviewing the Chicago discount rates and fixing a rate at that Bank of 6% for all paper of all maturities, with the understanding that no publication of rate action affecting the Seventh Federal Reserve District would be made until after the meeting of the Board of Directors of the Chicago Bank on Friday next. Governor Harding also advised Mr. Platt that Mr. Crissinger had said that he intended on next Tuesday to bring up for discussion the matter of reducing the rate upon commercial paper at the Cleveland Bank from 6% to 5 $\frac{1}{2}$ %.

Mr. Platt stated that he desired to go on record as opposing the fixing of rates by the Federal Reserve Board, because he did not believe that Congress ever intended to give the Board such power, but did intend to leave that power entirely with the Boards of Directors of the several Federal reserve banks.

Memorandum dated July 22d, from the Division of Examination, transmitting, with the favorable recommendation of the Federal Reserve Bank of Atlanta, application of the Algiers Trust & Savings Bank of New Orleans, La., for authority to observe the reserve requirements of a bank located outside of a central reserve or a reserve city.

Approved.

Letter dated July 26th, from the Governor of the Federal Reserve Bank of Chicago, transmitting, subject to the approval of the Federal Reserve Board, the action of the Executive Committee of that Bank whereby the maximum penalty for deficiencies in reserves should

not be in excess of 10%, effective August 1, 1921.

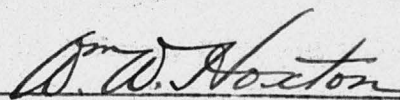
Approved.

REPORTS OF COMMITTEE NO. 1:

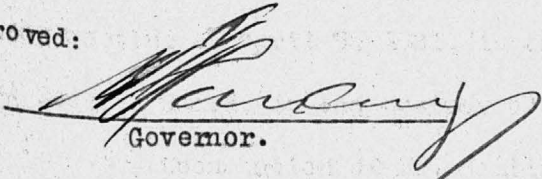
Dated July 27th, Recommending changes in stock at Federal reserve banks, as set forth in the auxiliary minute book as of this date.

Approved.

The meeting adjourned at twelve o'clock.

  
Secretary.

Approved:

  
Governor.