

X-7369

TELEGRAM  
FEDERAL RESERVE BOARD  
WASHINGTON

March 13, 1933.

Young - Boston	Seay - Richmond	Geery - Minneapolis
Harrison - New York	Black - Atlanta	Hamilton - Kansas City
Norris - Philadelphia	McDougal - Chicago	McKinney - Dallas
Fancher - Cleveland	Martin - St. Louis	Callins - San Francisco

TRANS 1650. Refer to trans. 1580, relating to penalties for deficiencies in reserves of Federal reserve banks. In the first sentence of the amended paragraph 10 of Regulation "O", Series of 1915, quoted therein, change the words "Federal reserve notes issued to it" to read "Federal reserve notes in actual circulation." In the sentence which refers to the penalties on deficiencies in deposit reserves strike out all after the words "provided, however," down to the end of that sentence and substitute therefor the following: "That, whenever such reserves fall below 30 per cent but are not less than 25 per cent, the tax upon the deficiency below 30 per cent shall be at the rate of  $\frac{2}{10}$  of 1 per cent per annum, and when such reserves fall below 25 per cent but are not less than 20 per cent the tax upon the deficiency below 25 per cent shall be at the rate of  $\frac{3}{10}$  of 1 per cent per annum; and so on, increasing the tax at the rate of  $\frac{1}{10}$  of 1 per cent per annum with each further deficiency in such reserves amounting to 5 per cent of deposits or any fraction thereof.

Morrill.