

EXECUTIVE OFFICERS

President	-	Franklin D. Roosevelt (re-elected Nov. 1936, inaugurated Jan. 20, 1937)
Secretary of Treasury	-	Henry Morgenthau, Jr. (appointed Jan. 1, 1934, served until July 23, 1943)
Comptroller of Currency	-	J. F. T. O'Connor (date of appointment May 11, 1933 resigned April 16, 1938)
Secretary of State	-	Cordell Hull
Secretary of War	-	George H. Dern, Harry H. Woodring
Secretary of Navy	-	Claude A. Swanson
Secretary of Interior	-	Harold L. Ickes
Secretary of Agriculture	-	Henry A. Wallace
Secretary of Commerce	-	Daniel C. Roper
Secretary of Labor	-	Francis Perkins
Postmaster General	-	James A. Farley
Attorney General	-	Homer S. Cummings

1937
January

U. S. G O V E R N M E N T

SENATE

Banking and Currency Committee

75th Congress

Dem.
Republicans

Rep.
Democrats

GLASS, Carter
WAGNER, Robert F.
BARKLEY, Alben W.
BULKLEY, Robert J.
REYNOLDS, Robert R.
BYRNES, James F.
BANKHEAD, 2d, John H.
McADOO, William Gibbs
ADAMS, Alva B.
MALONEY, Francis T.
RADCLIFFE, George L.

Virginia
New York
Kentucky
Ohio
North Carolina
South Carolina
Alabama
California
Colorado
Connecticut
Maryland

TOWNSEND, Jr. John G.
STEIWER, Frederick

Delaware
Oregon

1937
January

U. S. G O V E R N M E N T

HOUSE OF REPRESENTATIVES

Banking and Currency Committee

75th Congress

Democrats

STEAGALL, Henry B.
GOLDSBOROUGH, T. Alan
REILLY, Michael K.
HANCOCK, Frank
WILLIAMS, Clyde
SPENCE, Brent
FARLEY, James I.
MEEKS, James A.
KOPPLEMANN, Herman P.
KENNEDY, Martin J.
FORD, Thomas F.
BROWN, Paul
CLARK, D. Worth

Alabama
Maryland
Wisconsin
North Carolina
Mississippi
Kentucky
Indiana
Illinois
Connecticut
New York
California
Georgia
Idaho

Republicans

WOLCOTT, Jesse P.
FISH, Hamilton
GIFFORD, Charles L.
DIRKSEN, Everett M.

Michigan
New York
Massachusetts
Illinois

FEDERAL RESERVE SYSTEM
BOARD OF GOVERNORS

Marriner S. Eccles, Chairman

Ronald Ransom, Vice Chairman

Joseph A. Broderick (Res. Sept. 30) M. S. Szymczak

John K. McKee

Chester C. Davis

Charles S. Hamlin, Special Counsel

Lawrence Clayton, Asst. to the Chairman

Elliott Thurston, Special Asst. to the Chairman

Secretary's Office

Chester Morrill, Secretary

Liston P. Bethea, Asst. Secretary

S. R. Carpenter, Asst. Secretary

J. C. Noell, Asst. Secretary

Counsel's Office

Walter Wyatt, General Counsel

J. P. Dreibelbis, Asst. General Counsel

George B. Vest, Asst. General Counsel

B. Magruder Wingfield, Asst. General Counsel

Division of Examinations

Leo H. Paulger, Chief

R. F. Leonard, Asst. Chief

C. E. Cagle, Asst. Chief

Division of Research and Statistics

E. A. Goldenweiser, Director

Woodlief Thomas, Asst. Director

Lauchlin Currie, Asst. Director

George W. Blattner, Asst. Director

Division of Bank Operations

Edward L. Smead, Chief

J. R. Van Fossen, Asst. Chief

J. E. Horbett, Asst. Chief

Division of Security Loans

Carl E. Parry, Chief

Philip E. Bradley, Asst. Chief

Fiscal Agent

O. E. Foulk, Fiscal Agent

Josephine E. Lally, Deputy

Fiscal Agent

FEDERAL RESERVE SYSTEM
FEDERAL ADVISORY COUNCIL

District No. 1 (Boston)	Thomas M. Steele
District No. 2 (New York)	Winthrop W. Aldrich
District No. 3 (Philadelphia)	Howard A. Loeb, Vice President
District No. 4 (Cleveland)	Lewis B. Williams
District No. 5 (Richmond)	Charles M. Gohen
District No. 6 (Atlanta)	Edward Ball
District No. 7 (Chicago)	Edward E. Brown
District No. 8 (St. Louis)	Walter W. Smith, President
District No. 9 (Minneapolis)	John Crosby
District No. 10 (Kansas City)	W. T. Kemper
District No. 11 (Dallas)	R. E. Harding
District No. 12 (San Francisco)	Paul S. Dick

1937

FEDERAL RESERVE SYSTEM
FEDERAL OPEN MARKET COMMITTEE

Marriner S. Eccles, Chairman
George L. Harrison, Vice Chairman

Joseph A. Broderick
Chester C. Davis

M. J. Fleming
G. H. Hamilton
M. S. Szymczak

John K. McKee
B. A. Mc Kinney

Ronald Ransom
George J. Schaller

Chester Morrill, Secretary

Walter Wyatt, General Counsel

J. P. Dreibelbis, Assistant General Counsel

E. A. Goldenweiser, Economist

John H. Williams, Associate Economist

W. Randolph Burgess, Manager of System Open Market Account

OFFICERS

President	-	R. A. Young
First Vice President	-	W. W. Paddock
Vice President	-	W. Willett
Chairman and Federal Reserve Agent	-	F. H. Curtiss

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
REED, L. S. (Waterbury, Conn.)	1937
RIPLEY, A. L. (Boston, Mass.)	1938
DODGE, L. A. (Damariscotta, Me.)	1938 (elected)
 <u>Class B</u>	
FRENCH, E. S. (Boston, Mass.)	1937
ALLEN, P. R. (E. Walpole, Mass.)	1938
FROST, E. J. (Boston, Mass.)	1939 (re-elected)
 <u>Class C</u>	
MERRIMAN, C. H. (Providence, R. I.)	1937
CURTISS, F. H. (Boston, Mass.) Chairman and FR Agent	1938
DENNISON, H. S. (Framingham, Mass.)	1939 (appointed)

OFFICERS

President	-	G. L. Harrison	
First Vice President	-	Allan Sproul	
Vice Presidents	-	W. R. Burgess	R. M. Gidney
		L. R. Rounds	L. W. Knoke
		W. S. Logan	C. H. Coe
		J. H. Williams	

Chairman and Federal
Reserve Agent

Deputy Chairman - Owen D. Young

1937

Federal Reserve Bank of NEW YORK (Dist. 2)DIRECTORS

<u>CLASS A</u>	<u>Term Began</u>	<u>Dec. 31 Term Ended</u>
DAVISON, George W. (Greenwich)	1/1/35	1937
MILLS, Edward K. (Morristown)	1/1/36	1938
PLOCH, William F. (Long Beach)	1/1/37	1939
<u>CLASS B</u>		
WATSON, Thomas J. (Short Hills)	1/1/35	1937
TEAGLE, Walter C. (Port Chester)	1/1/36	1938
STEVENS, Robert T. (Plainfield)	1/1/37	1939 (reelected)
<u>CLASS C</u>		
YOUNG, Owen D. (Van Hornesville)	6/17/36	1937 (Deputy Chairman)
RUML, Beardsley (New York)	1/16/37	1938

1937

Federal Reserve Bank of Philadelphia (Dist. 3)

OFFICERS

President	-	J. S. Sinclair
First Vice President	-	F. J. Drinnen
Vice Presidents	-	C. A. McIlhenny W. J. Davis E. C. Hill
Chairman and Federal Reserve Agent	-	R. L. Austin
Deputy Chairman		

Federal Reserve Bank of Philadelphia (Dist. 3)

DIRECTORS

<u>Class A</u>	Term Expires <u>Dec. 31</u>
HENNING, J. B. (Tunkhannock, Pa.)	1937
WAYNE, Joseph (Jr.) (Philadelphia, Pa.)	1938
REILY, G. W. (Harrisburg, Pa.)	1939 (re-elected)
 <u>Class B</u>	
STOUT, C.F.C. (Camden, N.J.)	1937
SEWALL, A. W. (Philadelphia, Pa.)	1938
DeLaCOUR, J.C. (Camden, N.J.)	1939 (re-elected)
 <u>Class C</u>	
CANNON, H. L. (Bridgeville, Del.)	1937
AUSTIN, R. L. (Philadelphia, Pa.) Chairman and FR Agent	1938
McCABE, T. B. (Chester, Pa.)	1939 (appointed) (Aug. 20)

Federal Reserve Bank of Cleveland (Dist. 4)

OFFICERS

President	-	M. J. Fleming
First Vice President	-	F. J. Zurlinden
Vice Presidents	-	W. H. Fletcher W. F. Taylor
Chairman and Federal Reserve Agent	-	E. S. Burke, Jr.
Deputy Chairman	-	G. C. Brainard

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
LAMBERTON, Chess (Franklin, Pa.)	1937
BROOKS, F. F. (Pittsburgh, Pa.)	1938
CONNER, B. R. (Ada, Ohio)	1939 (re-elected)
 <u>Class B</u>	
WRIGHT, R. P. (Erie Pa.)	1937
CRABBS, G. D. (Cincinnati, Ohio)	1938
GALVIN, J. E. (Lima, Ohio)	1939
 <u>Class C</u>	
BRAINARD, G.C. (Youngstown, Ohio) Deputy Chairman	1937
BURKE, E.S. (Jr.) (Cleveland, Ohio) Chairman and FR Agent	1938
KLAGES, R.E. (Columbus, Ohio)	1939 (appointed)

1937

Federal Reserve Bank of Richmond (Dist. 5)

OFFICERS

President	-	Hugh Leach
First Vice President	-	J. S. Walden, Jr.
Vice Presidents	-	J. G. Fry G. H. Keesee
Chairman and FR Agent	-	Robert Lassiter

DIRECTORS

Term Expires
Dec. 31

Class A

BRASWELL, J. C. (Rocky Mount, N.C.)	1937
JOHNSON, L. E. (Alderson, W.Va.)	1938
RIEMAN, C.E. (Baltimore, Md.)	1939 (re-elected)

Class B

HANNA, J. H. (Washington, D.C.)	1937
MALLOY, Edwin (Cheraw, S.C.)	1938
REED, C.C. (Richmond, Va.)	1939 (re-elected)

Class C

LASSITER, Robert (Mooresville, N.C.) Chairman and FR Agent	1937 (appointed)
SHERWOOD, Donald (Baltimore, Md.)	1938
WYSOR, W.G. (Richmond, Va.)	1939 (re-appointed)

1937

Federal Reserve Bank of Atlanta (Dist. 6)

OFFICERS

President	-	Oscar Newton
First Vice President-		R. S. Parker
Vice Presidents-		H. F. Conniff
		L. M. Clark
		W. S. McLarin, Jr.
Chairman and Federal Reserve Agent	-	William H. Kettig (eff. May 27)
Deputy Chairman	-	Frank H. Neely (eff. May 27)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
COOK, W. D. (Meridian, Miss.)	1937
WHITE, G. J. (Mount Dora, Fla.)	1938
CLAY, R. G. (Atlanta, Ga.)	1939 (re-elected)
 <u>Class B</u>	
HALL, Fitzgerald (Nashville, Tenn.)	1937
GEORGE, E. T. (New Orleans, La.)	1938
MCCRARY, J.A. (Atlanta, Ga.)	1939 (re-elected)
 <u>Class C</u>	
KETTIG, W.H.(Birmingham, Ala.) Chairman and FR Agent	1937
NEELY, F. H. (Atlanta, Ga.)	1938 (appointed)
PORTER, J. F. (Columbia, Tenn.)	1939 (appointed) (June 15)

Federal Reserve Bank of Chicago (Dist. 7)

OFFICERS

President	-	G. J. Schaller
First Vice President	-	H. P. Preston
Vice Presidents-		W. H. Snyder C. S. Young J. H. Dillard
Chairman and Federal Reserve Agent	-	
Deputy Chairman	-	R. E. Wood

1937

Federal Reserve Bank of Chicago (Dist. 7)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
ESTBERG, E. R. (Waukesha, Wis.)	1937
WILLIAMS, F. D. (Iowa City, Iowa)	1938
CUMMINGS, W. J. (Chicago, Ill.)	1939 (elected)
 <u>Class B</u>	
CRAPO, S. T. (Detroit, Michigan)	1937
NOYES, N. H. (Indianapolis, Ind.)	1938
BABB, M. W. (Milwaukee, Wis.)	1939 (re-elected)
 <u>Class C</u>	
LEWIS, F. J. (Chicago, Ill.)	1937
WOOD, R.E. (Chicago, Ill.) Deputy Chairman	1938
Vacancy	1939

Federal Reserve Bank of St. Louis (Dist. 8)

OFFICERS

President	-	W. McC. Martin
First Vice President	-	O. M. Attebery F. Guy Hitt (eff. Dec. 16)
Vice Presidents	-	J. S. Wood J. G. McConkey C. M. Stewart
Chairman and Federal Reserve Agent	-	W. T. Nardin
Deputy Chairman	-	Paul Dillard

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
Vacancy	
LONSDALE, J. G. (St. Louis, Mo.)	1938
NAHM, M. B. (Bowling, Green, Ky.)	1939 (re-elected)
 <u>Class B</u>	
PLUNKETT, W. B. (Little Rock, Ark.)	1937
STURDIVANT, M. P. (Glendora, Miss.)	1938
HARRIS, J. W. (St. Louis, Mo.)	1939 (re-elected)
 <u>Class C</u>	
DILLARD, Paul (Memphis, Tenn.) Deputy Chairman	1937
STANLEY, J. R. (Evansville, Ind.)	1938
NARDIN, W.T. (St. Louis, Mo.) Chairman and FR Agent	1939 (appointed)

Federal Reserve Bank of Minneapolis (Dist. 9)

OFFICERS

President - J. N. Peyton

First Vice President - O. S. Powell

Vice Presidents- Harry Yaeger
H. I. Ziemer
E. W. Swanson

Chairman and Federal
Reserve Agent - W. B. Geery

Federal Reserve Bank of Minneapolis (Dist. 9)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
GRANGAARD, M.O. (Minneapolis, Minn.)	1937
KIBBEE, H. R. (Mitchell, S.D.)	1938
HANSEN, H. C. (Churchs Ferry, N.D.)	1939 (re-elected)
 <u>Class B</u>	
WASHBURN, W.O. (St. Paul, Minn.)	1937
O'CONNELL, J.E. (Helena, Mont.)	1938
FUNK, A.P. (La Crosse, Wis.)	1939 (re-elected)
 <u>Class C</u>	
McCORMICK, G.W. (Menominee, Mich.)	1937
GEERY, W.B. (Minneapolis, Minn.) Chairman and FR Agent	1938
PECK, F. W. (St. Paul, Minn.)	1939 (appointed) (Apr. 22)

Federal Reserve Bank of Kansas City (Dist. 10)

OFFICERS

President	-	G. H. Hamilton
First Vice President	-	C. A. Worthington
Vice President	-	J. W. Helm
Chairman and Federal Reserve Agent	-	J. J. Thomas
Deputy Chairman	-	E. P. Brown

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
SPONABLE, F. W. (Paola, Kansas)	1936
MULLANEY, E. E. (Hill City, Kansas)	1937
EVANS, John (Denver, Colo.)	1938 (elected)
 <u>Class B</u>	
BERNARDIN, J. M. (Kansas City, Mo.)	1936
PHILLIPS, L. E. (Bartlesville, Okla.)	1937
HOSFORD, W. D. (Omaha, Nebraska)	1938 (re-elected)
 <u>Class C</u>	
DOOLIN, J. B. (Alva, Okla.)	1936
THOMAS, J. J. (Kansas City, Mo.) Chairman and FR Agent	1938
BROWN, E. P. (Davey, Nebraska) Deputy Chairman	1939 (re-appointed)

OFFICERS

President	-	B. A. McKinney
First Vice President	-	R. R. Gilbert
Vice Presidents	-	R. B. Coleman W. J. Evans
Chairman and Federal Reserve Agent	-	C. C. Walsh

Federal Reserve Bank of Dallas (Dist. 11)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
HOOKS, P. E. (Itasca, Tex.)	1937
MORRIS, Alf. (Winnsboro, Tex.)	1938
WINTON, E.H. (Fort Worth, Tex.)	1939 (elected)
 <u>Class B</u>	
CLEVELAND, A. S. (Houston, Tex.)	1937
MIDDLETON, J. D. (Greenville, Tex.)	1938
MILAM, J. R. (Waco, Tex.)	1939 (re-elected)
 <u>Class C</u>	
WALSH, C.C. (Dallas Tex.) Chairman and FR Agent	1937
MERRITT, J. H. (McKinney, Tex.)	1938 (appointed)
TAYLOR, Jay (Amarillo, Tex.)	1939 (appointed)(Mar. 4)

Federal Reserve Bank of San Francisco (Dist. 12)

OFFICERS

President	-	W. A. Day
First Vice President	-	Ira Clerk
Vice Presidents	-	S. G. Sargent W. M. Hale C. E. Earhart
Chairman and FR Agent	-	A. O. Stewart
Deputy Chairman	-	A. P. Welch

Federal Reserve Bank of San Francisco (Dist. 12)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
McINTOSH, C. K. (San Francisco, Calif.)	1937
RAMSAY, T. H. (San Francisco, Calif.)	1938
POWELL, Keith (Salem, Ore.)	1939 (re-elected)
 <u>Class B</u>	
COX, E. H. (San Francisco, Calif.)	1937
VOLKMANN, W. G. (San Francisco, Calif.)	1938 (elected)
TAYLOR, R. H. (Los Angeles, Calif.)	1939 (elected)
 <u>Class C</u>	
WELCH, A. P. (San Francisco, Calif.) Deputy Chairman	1937
STEWART, A. O. (San Francisco, Calif.) Chairman and FR Agent	1938
THORPE, Carlyle (Los Angeles, Calif.)	1939 (appointed) (apr. 1)

1937

HEARINGS

Feb. 16, 18

U.S. Congress. House. Banking and currency
committee.

HG
2560
.A2
1937

To extend the period during which direct
obligations of the United States may be used
as collateral security for Federal reserve
notes: HEARINGS ... 75th cong., 1st sess. on
S. 417, to extend the period ... Feb. 16, 18,
1937. Wash., Govt. ptg. off., 1937.

56 p. (Committee print - Unrevised)
Testimony: Eccles, M.S. Feb. 16, pp. 2-24; Feb. 18, pp. 25-57

F.R.Bd.L.

a

1937

HEARINGS

June 15,16
July 14,15,23

U.S.Congress. House. Banking and currency committee. HG
 2560
 Authorizing the destruction of certain .A21
 Federal reserve notes and their replacements: 1937
HEARINGS ... 75th cong.,1st sess. on H.J.Res.
 377 ... June 15,16, July 14,15,23, 1937
 Wash., D.C.,1937.
 73 p. (Committee print-unrevised L-515)

Testi- Eccles, M.S. (Gov.FRBd) HG
 mony July 14 pp.1-18 2561
 " 15 pp 18-42 .E2
 " 23 pp 43-47 Vol 1
 Washington, D.C., 1937 53 (mim.) L-514

F.R.Bd.L.

a

1937

HEARINGS

June 22-24
July 1, 9

U.S. Congress. House. Banking and currency committee.

HG
2560

Payment of interest on demand deposits of public funds: HEARINGS ... 75th, 1st sess. on H.R. 7186, to amend sec. 19 of the Federal reserve act as amended, with respect to the payment of interest on demand deposits of certain public funds. June 22-24, July 1, 9, 1937. Wash., Govt. ptg. off., 1937.

.A2
1937

79 p. (Committee print - unrevised)

F.R. Bd. L.

a

1937

HEARINGS

July 14,15,23

Eccles, Marriner Stoddard

Testimony ... before House Banking and
currency committee on H.J.Res.377, authorizing
the destruction of Federal reserve notes of
the series of 1928 and their replacement by
Federal reserve notes of the series of 1934,
or a later series, at the expense of the
United States, July 14, 15 and 23, 1937.
Wash.,D.C.,1937.

57 p. (Mim.)(L-514)

HG
2561
.E2
(1937)

F.R.Bd.L.

a

[PUBLIC—No. 1—75TH CONGRESS]

[CHAPTER 5—1ST SESSION]

[S. 416]

AN ACT

To extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 10 of the Gold Reserve Act of 1934, approved January 30, 1934, is amended to read as follows:

"(c) All the powers conferred by this section shall expire June 30, 1939, unless the President shall sooner declare the existing emergency ended and the operation of the stabilization fund terminated."

SEC. 2. The second sentence added to paragraph (b) (2) of section 43, title III, of the Act approved May 12, 1933, by section 12 of said Gold Reserve Act of 1934 is amended to read as follows: "The powers of the President specified in this paragraph shall be deemed to be separate, distinct, and continuing powers, and may be exercised by him, from time to time, severally or together, whenever and as the expressed objects of this section in his judgment may require; except that such powers shall expire June 30, 1939, unless the President shall sooner declare the existing emergency ended."

Approved, January 23, 1937, 2 p. m.

1937

March 1 United States obligations as security for Federal Reserve notes. LEGISLATION

Under section 16 of Federal Reserve Act the authority of the Board of Governors of the Federal Reserve System to permit the use of direct obligations of the United States as collateral security for Federal Reserve notes, which would have expired on March 3, 1937, was extended until June 30, 1939. (50 Stat. 23, Ch. 20.)

Source: Supplement to statement on Evolution of Banking Legislation by Walter Wyatt, October 26, 1939. Exhibit G

1937
July 9

LEGISLATION

[PUBLIC—No. 197—75TH CONGRESS]

[CHAPTER 471—1ST SESSION]

[H. R. 6287]

AN ACT

To amend Public Act Numbered 467, Seventy-third Congress, entitled "Federal Credit Union Act."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Credit Union Act is amended by inserting at the end thereof the following new section:

"SEC. 21. Upon application by any credit union organized under State law or by any Federal credit union organized in accordance with the terms of this Act, the membership of which is composed exclusively of Federal employees and members of their families, which application shall be addressed to the officer or agency of the United States charged with the allotment of space in the Federal buildings in the community or district in which said credit union or Federal credit union does business, such officer or agency may in his or its discretion allot space to such credit union if space is available without charge for rent or services."

Approved, July 9, 1937.

1937
August 14

LEGISLATION

[PUBLIC—No. 287—75TH CONGRESS]

[CHAPTER 627—1ST SESSION]

[H. R. 7512]

AN ACT

To amend the Act approved March 26, 1934.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act approved March 26, 1934, to authorize annual appropriations to meet losses sustained by officers and employees of the United States in foreign countries due to appreciation of foreign currencies in their relation to the American dollar, be, and is hereby, amended by substitution of the date "July 1, 1933," for "July 15, 1933," as the date from which officers and employees of the United States in service in foreign countries may be reimbursed for losses sustained due to the appreciation of foreign currencies in their relation to the American dollar, and reimbursement of losses sustained for such additional period is authorized to be paid from any unexpended balance of funds appropriated for exchange relief remaining in the Treasury which are otherwise unencumbered.

Approved, August 14, 1937.

1937
August 14

LEGISLATION

[PUBLIC—NO. 291—75TH CONGRESS]

[CHAPTER 631—1ST SESSION]

[H. R. 8025]

AN ACT

To amend section 3528 of the Revised Statutes relating to the purchase of metal for minor coins of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3528 of the Revised Statutes, as amended (U. S. C., 1934 edition, title 31, sec. 340), is hereby further amended by striking out the figures "\$400,000" and inserting in lieu thereof the figures "\$600,000".

Approved, August 14, 1937.

[PUBLIC—No. 349—75TH CONGRESS]

[CHAPTER 747—1ST SESSION]

[H. R. 5900]

AN ACT

To amend the bank-robbery statute to include burglary and larceny.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 2 of the Act of May 18, 1934 (48 Stat. 783; U. S. C., title 12, sec. 588b), be and the same is hereby, amended to read as follows:

“(a) Whoever, by force and violence, or by putting in fear, feloniously takes, or feloniously attempts to take, from the person or presence of another any property or money or any other thing of value belonging to, or in the care, custody, control, management, or possession of, any bank; or whoever shall enter or attempt to enter any bank, or any building used in whole or in part as a bank, with intent to commit in such bank or building, or part thereof, so used, any felony or larceny, shall be fined not more than \$5,000 or imprisoned not more than twenty years, or both; or whoever shall take and carry away, with intent to steal or purloin, any property or money or any other thing of value exceeding \$50 belonging to, or in the care, custody, control, management, or possession of any bank, shall be fined not more than \$5,000 or imprisoned not more than ten years, or both; or whoever shall take and carry away, with intent to steal or purloin, any property or money or any other thing of value not exceeding \$50 belonging to, or in the care, custody, control, management, or possession of any bank, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.”

Approved, August 24, 1937.

1937

FEDERAL RESERVE SYSTEM

POLICY ACTION

March 1937 to May 1937

Apparent Intent - For other purposes

- Open Market Operations -
- Discount Rate -
- Reserve Requirements - Raised by 1/2 to legal maximum, effective March 1 and May 1.
- Selective Regulations -
- Surrounding Circumstances - To reduce member bank excess reserves "which would result in an injurious credit expansion if permitted to become the basis of a multiple expansion of bank credit". Action not designed to be restrictive at time but for preparedness. Distinct tendencies toward inflationary developments in business and prices at beginning of year.

Source: Joint Committee on the Economic Report
Monetary Policy and the Management of the Public Debt (Patman Report) 1952,
Page 220.

1937
April 1937

FEDERAL RESERVE SYSTEM

POLICY ACTION

Apparent Intent - For other purposes

- Open Market Operations - Bought \$96 million of Treasury bonds; also bought bills to offset decline in notes.
- Discount Rate -
- Reserve Requirements -
- Selective Regulations -
- Surrounding Circumstances - To maintain orderly conditions in the Government bond market and in money market and to facilitate member bank adjustments to the increased reserve requirements.

Source: Joint Committee on the Economic Report
Monetary Policy and the Management of the Public Debt (Patman Report) 1952,
Page 220.

1937

FEDERAL RESERVE SYSTEM

POLICY ACTION

August 1937 to April 1938

Apparent Intent - Expansionary

- Open Market Operations - Bought \$38 million of Government securities (November 1937). Treasury released \$300 million of sterilized gold at Federal Open Market Committee request.
- Discount Rate - Reduced from 2 to 11/2 percent at 10 Banks, from 11/2 to 1 percent at New York* (August-September 1937).
- Reserve Requirements - Reduced by 1/4 of legal minimum requirements (April 1938).
- Selective Regulations - Margin requirements reduced from 55 to 40 percent of market value (November 1937).
- Surrounding Circumstances - To ease credit situation and security markets in view of decline in business activity and commodity and security prices, following business inventory accumulation and inflationary tendencies.

Source: Joint Committee on the Economic Report
Monetary Policy and the Management of the Public Debt (Patman Report) 1952,
Page 220.

*No change at Federal Reserve Bank of Cleveland, where rate was already 11/2 percent.

9.103. **Relation between member banks and Federal Reserve banks.**—A Federal Reserve bank and its member banks are separate and distinct corporate entities; and no relationship of agency exists between them except such as arises from contract. *Federal Reserve Bank of Richmond v. Kalin*, 81 Fed. (2d) 1003 (C.C.A. 4th, 1936). Accordingly, the agency of a member bank to collect a note payable to such bank and discounted with a Federal Reserve bank can not arise from the mere fact that the bank in question was a member of the Federal Reserve bank. *Federal Reserve Bank of Philadelphia v. Gettleman*, 189 Atl. 86 (N.J. 1937).

12B.102. Insured banks as Federal instrumentalities.—In a prosecution of an officer of an insured State bank for embezzlement under section 5209 of the Revised Statutes, it was contended that Congress had no constitutional power to make the criminal provisions of that section applicable to an officer of a State nonmember bank. It was held, however, that the Federal Deposit Insurance Corporation is an instrumentality of the United States; that a State bank which makes application for the insurance benefits of the law creating that instrumentality thereupon submits itself and its officers to the provisions of the federal law and consents to serve as a constituent part of an instrumentality of the United States; and that, under its broad powers to protect the currency system, Congress may constitutionally make the penal provisions of section 5209 of the Revised Statutes applicable to such an insured State bank. Accordingly, the defendant's demurrer was overruled. *United States v. Doherty*, 18 Fed. Supp. 793 (D. C. Neb., 1937).

13.520. Effect of Regulation J as contract term permitting direct collection.—Certain checks belonging to the plaintiff came to the Federal Reserve bank for collection and the Reserve bank presented the checks direct to the drawee bank and accepted a draft in payment therefor. Upon the failure of the drawee bank, plaintiff brought suit against the Federal Reserve bank for damages resulting from the alleged negligence of the defendant in presenting the checks direct to the drawee and in accepting a draft, instead of lawful money, in payment for the same. It was held that, by virtue of State statute, a collecting bank was not liable for presenting checks for payment direct to the drawee bank and in accepting a draft of the drawee in remittance. It was further held that the Board's Regulation J authorized the collection of checks in this manner and that that regulation constituted a part of the agency contract between the plaintiffs and the defendant with respect to collection of checks; and that accordingly, the plaintiff must be held to have consented and agreed that the checks might be sent directly to the drawee bank for collection and also that such bank might remit by drafts. It was held, therefore, that plaintiff's petition stated no cause of action. *Massey-Harris Harvester Co. v. Federal Reserve Bank of Kansas City*, 226 Mo. App. 916, 48 S.W.(2d) 158 (1932), *aff'd* in 104 S.W.(2d) 385 (1937).

NOTE.—For cases involving substantially similar facts and holding to the same

See over

effect, see *Oklahoma Gas and Electric Co. v. First National Bank of Oklahoma City*, 179 Okla. 475, 66 Pac. (2d) 29 (1937); *Osage National Bank v. Federal Reserve Bank of Minneapolis*, 184 Minn. 111, 238 N.W. 44 (1931); *Transcontinental Oil Co. v. Federal Reserve Bank of Minneapolis*, 172 Minn. 58, 214 N.W. 918 (1927); *Chicago, M. & St. P. Ry. v. Federal Reserve Bank of San Francisco*, 70 Utah 310, 260 Pac. 262 (1927); *Jensen v. Laurel Meat Co.*, 71 Mont. 582, 230 Pac. 1081 (1924); *International Shoe Co. v. Federal Reserve Bank of Minneapolis*, Dist. Ct. of the Fourth Judicial District for the County of Hennepin, State of Minnesota, Jan. 12, 1929 (unreported); *Vacuum Oil Co. v. Federal Reserve Bank of Dallas*, County Ct. at Law, Dallas, Tex., Feb. 6, 1926 (unreported); *Jack & Jake v. Federal Reserve Bank of Atlanta*, Circuit Court of Tenn., Oct. 14, 1924 (unreported). See also 13.201; 13.521.

13.541. Regulation J, Series of 1930, held to authorize acceptance of drafts.—The plaintiff brought an action against the defendant Federal Reserve bank for alleged negligence in presenting checks owned by the plaintiff for payment to the drawee bank and for accepting, in lieu of cash, a draft drawn by that bank which subsequently closed before collection of the draft could be made. It was held that, while it had been well settled before the promulgation of Regulation J, Series of 1930, that a collecting agent had no authority to accept other than legal tender in collecting a check for a principal, the situation had been changed by the provisions of Regulation J, Series of 1930, and by the provisions of a circular letter issued by the Federal Reserve Bank here in question, which expressly permitted the acceptance of drafts in payment of checks. It was further held that the enactment of the provisions of Regulation J permitting the acceptance of exchange drafts appeared to be a valid exercise of the powers reposed in the Federal Reserve Board by Congress. It was concluded, therefore, that the Federal Reserve Bank, acting within its authority, was not liable to the plaintiffs. *Terminal Gas and Supply Co. v. Federal Reserve Bank of Boston*, 18 Fed. Supp. 901 (D.C. Mass., 1937).

NOTE.—For other cases involving substantially similar facts and holding to the same effect, see *U. S. Pipe and Foundry Co. v. City of Hornell*, 146 Misc. 812, 263 N. Y. Supp. 89 (1933); *Rainwater v. Federal Reserve Bank of St. Louis*, 172 Ark. 631, 290 S. W. 69 (1927); *Odle v. Barnes*, 2 S. W. (2d) 577 (Tex., 1927). And see 13.521; 13.542; 13.543; 13.544.

13.706. Right of Reserve bank to charge reserve account where remittance is made by "immediately available exchange."—A check deposited by the plaintiff in a national bank for collection was forwarded through the defendant Federal Reserve bank direct to the drawee bank; and in payment therefor, the drawee sent to the Reserve bank its draft on its reserve account. Upon the failure of the drawee, the Reserve bank charged the amount of the check to the forwarding bank and the latter bank in turn charged the check to the plaintiff's account. In an action against the depository bank and the Federal Reserve bank, plaintiff charged that even if the Federal Reserve bank may have acted within its rights in forwarding the check direct to the drawee and in accepting a draft in payment, the Reserve bank was nevertheless liable to the plaintiff for its failure to charge the reserve account of the drawee bank with the amount of the check. It was held that, under the provisions of the Federal Reserve bank's collection circular, which was binding upon the plaintiff, the Reserve bank was authorized to charge the reserve account of a member bank with the amount of a cash letter only in cases where the member bank remitted in some manner other than by "immediately available exchange"; that remittance made by draft drawn directly upon the Reserve bank was clearly a remittance by immediately available exchange; that therefore the Reserve bank had no authority to charge the amount of the cash letter to the reserve account of the drawee bank; and that, accordingly, no lien could exist against such account in favor of the Reserve bank for the benefit of the depositor, the plaintiff in this case. It was further held that the draft of the drawee bank did not itself constitute an assignment of its reserve deposit for the

See over

benefit of the plaintiff; and that even if it could be said that the draft was issued for the plaintiff's benefit, the assignment was not complete since the draft had not been accepted by the Reserve bank. *Oklahoma Gas and Electric Co. v. First National Bank of Oklahoma City*, 179 Okla. 475, 66 Pac. (2d) 29 (1937). 13,706

NOTE.—For holding in the above case as to the liability of the Reserve bank in forwarding the check direct to the drawee bank and in accepting a draft in payment, see 13.521.

1937

13.709. Indemnification of Reserve Bank for Loss Arising Out of Collection of Forged Check.--Under Regulation J, the Federal Reserve Bank of Atlanta received checks from a member bank for collection and forwarded the checks to the Federal Reserve Bank of Chicago. More than six years after the checks were paid, a judgment for the proceeds of the checks was taken against the Federal Reserve Bank of Chicago on grounds that the checks bore forged endorsements. Within a year after reimbursing that bank upon its demand, the Federal Reserve Bank of Atlanta brought suit against the member bank from which it had received the checks. The member bank contended that, since the suit was brought either for money wrongfully had and received, or upon its guaranty of prior endorsements, the action was barred in either case by the statute of limitations. The Court of Appeals held that the action was not barred, because it was based upon provisions of Regulation J giving the Reserve Bank, as an agent for collection, a right to be indemnified by its principal, the member banks, for a loss sustained through making the collection. This right became enforceable when the Reserve Bank made good the forged checks, and not when it credited the amount of the checks to the member bank's account. Federal Reserve Bank of Atlanta v. Atlanta Trust Co., 91 F. 2d 283; cert. den. 302 U. S. 738 (1937).

13.2740. **Alleged payment to member bank as agent for Reserve bank.**—Defendants were liable on certain notes payable to a national bank. The notes, without the knowledge of the defendants, were discounted by the national bank with the Federal Reserve bank of Philadelphia. Just prior to the failure of the national bank, an agent of the defendant appeared at the national bank for the purpose of redeeming the notes in question and received a receipt for payment although the notes, since they were pledged with the Federal Reserve bank, were not returned. Upon the insolvency of the national bank, the Federal Reserve bank brought suit upon the notes, and the defense was made that the notes had been paid to the national bank as agent of the plaintiff. It was held that the payee of negotiable paper, who has pledged it with another, is not the agent of that other for its collection; that there is no agency relationship between a Federal Reserve bank and its member banks except such as arises from contract; that, in the absence of specific authority to collect, a payee receiving money from the debtor accepts it as agent of the debtor and not of the holder; and that payment to the payee under such circumstances does not discharge the debt. It was held, therefore, that since the agency of the member bank for the Federal Reserve bank was not proved, judgment for the defendant should be reversed. *Federal Reserve Bank of Philadelphia v. Gettleman*, 189 Atl. 86 (N. J. 1937).

13.2791. Tax anticipation notes issued by city and indorsed by member bank.—In order to pay its employees and meet other obligations, a city issued its tax anticipation notes payable to the order of the city treasurer; and the note was indorsed by a local national bank and transferred to the plaintiff Federal Reserve bank. Upon the failure of the national bank and suit brought upon the note by the Federal Reserve bank, the city contended that the note was nonnegotiable; that the city had loaned its credit to the local bank in order to enable it to reopen in violation of State law; and that the bank had not properly kept bookkeeping accounts with respect to the transaction. It was held, however, that the note was clearly negotiable; that it was legally issued by the city for the legitimate purpose of carrying on its activities and not for the purpose of lending the city's credit to the national bank; and that the manner in which the bank had kept its bookkeeping accounts could not affect the validity of the sale of the note. Accordingly, the refusal of the lower court to give binding instructions for the plaintiff Federal Reserve bank was held to be error and the judgment below was reversed. *Federal Reserve Bank of Philadelphia v. Ocean City*, 84 Fed. (2d) 657 (C.C.A. 3d, 1936), *cert. den.*, 299 U. S. 584.

NOTE.—On retrial, the District Court refused a directed verdict for the Federal Reserve Bank; but on appeal to the Circuit Court of Appeals, the judgment of the District Court was reversed. 91 Fed. (2d) 635 (1937). *

* Supplemental opinion, 93 F. 2d 519 (3rd Cir. 1937), *cert. den.* 302 U.S. 752 (1937); the action was continued in 100 F.2d 1011 (3rd cir. 1938), *cert. den.* 306 U.S. 648 (1938)

13.2792. **Invalidity of renewal note issued by city.**—Where a note was given by a city to a bank for the purpose of renewing a note previously given for money borrowed to retire maturing municipal bonds, and where such renewal note was indorsed to a Federal Reserve bank which brought suit thereon, it was held that, although the city had no power to make negotiable paper good in the hands of a bona fide holder, nevertheless, such renewal note was enforceable by the Federal Reserve bank against the city and should have been admitted in evidence. *Federal Reserve Bank of Atlanta v. Panama City*, 87 Fed. (2d) 677 (C.C.A. 5th, 1937).