

UNITED STATES GOVERNMENTEXECUTIVE 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)
	Preston Delano (date of appointment Oct. 24, 1938)
Secretary of State	- Cordell Hull
Secretary of War	- 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	- Frances Perkins
Postmaster General	- James A. Farley
Attorney General	- Homer S. Cummings

1938
May

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

S E N A T E

Banking and Currency Committee

75th Congress

Republicans

TOWNSEND, John G., Jr.
FRAZIER, Lynn J.
LODGE, Henry Cabot, Jr.

Delaware
North Dakota
Massachusetts

Democrats

WAGNER, Robert F.
GLASS, Carter
BARKLEY, Alben W.
BULKLEY, Robert J.
REYNOLDS, Robert R.
BYRNES, James F.
BANKHEAD, John H., 2nd
McADOO, William Gibbs
ADAMS, Alva B.
MALONEY, Francis T.
RADCLIFFE, George L.
BROWN, Prentiss M.
HITCHCOCK, Herbert E.
HUGHES, James H.
HERRING, Clyde L.
SMATHERS, William H.

New York
Virginia
Kentucky
Ohio
North Carolina
South Carolina
Alabama
California
Colorado
Connecticut
Maryland
Michigan
South Dakota
Delaware
Iowa
New Jersey

1938
May

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

HOUSE OF REPRESENTATIVES

Banking and Currency Committee

75th Congress

Republicans

WOLCOTT, Jesse P.	Michigan
FISH, Hamilton	New York
GIFFORD, Charles L.	Massachusetts
LUCE, Robert	Massachusetts
WHITE, Dudley A.	Ohio
CRAWFORD, Fred L.	Michigan
GAMBLE, Ralph A.	New York

Democrats

STEAGALL, Henry B.	Alabama
GOLDSBOROUGH, T. Alan	Maryland
REILLY, Michael K.	Wisconsin
HANCOCK, Frank	North Carolina
WILLIAMS, Clyde	Missouri
SPENCE, Brent	Kentucky
FARLEY, James I.	Indiana
MEEKS, James A.	Illinois
KO PPLEMAN, Herman P.	Connecticut
FORD, Thomas F.	California
BROWN, Paul	Georgia
CLARK, D. Worth	Idaho
PATMAN, Wright	Texas
McKEOUGH, Raymond S.	Illinois
EVANS, Marcellus H.	New York
TRANSUE, Andrew J.	Michigan
GRANERY, James P.	Pennsylvania
BARRY, William B.	New York

FEDERAL RESERVE SYSTEM
BOARD OF GOVERNORS

Marriner S. Eccles, Chairman

Ronald Ransom, Vice Chairman

M. S. Szymczak

John K. McKee

Chester C. Davis

Ernest G. Draper (app.
March 11)

Lawrence Clayton, Assistant to the Chairman

Elliott Thurston, Special Assistant to the Chairman

Charles S. Hamlin, Special Counsel

Secretary's Office

Chester Morrill, Secretary

Liston P. Bethea, Asst. Sec.

S. R. Carpenter, Asst. Sec.

J. C. Noell, Asst. Sec.

Counsel's Office

Walter Wyatt, General Counsel

J. P. Dreibelbis, Asst. Gen. Counsel

George B. Vest, Asst. Gen. Counsel

B. Magruder Wingfield, Asst. Gen. Counsel

Division of Examinations

Leo H. Paulger, Chief

R. F. Leonard, Asst. Chief

C. E. Cagle, Asst. Chief

Division of Security Loans

Carl E. Parry, Chief

Philip E. Bradley, Asst. Chief

Division of Research and Statistics

E. A. Goldenweiser, Director

Woodlief Thomas, Asst. Director

Lauchlin Currie, Asst. Director

George W. Blattner, Asst. Dir.

Division of Bank Operations

Edward L. Smead, Chief

J. R. Van Fossen, Asst. Chief

J. E. Horbett, Asst. Chief

Fiscal Agent

O. E. Foulk, Fiscal Agent

Josephine E. Lally, Deputy Fiscal Agent

1938

FEDERAL RESERVE SYSTEM
FEDERAL ADVISORY COUNCIL

District No. 1 (Boston)	Thomas M. Steele
District No. 2 (New York)	W. W. Aldrich
District No. 3 (Philadelphia)	Howard A. Loeb, Vice President
District No. 4 (Cleveland)	L. B. Williams
District No. 5 (Richmond)	Robert M. Hanes
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)	C. Q. Chandler
District No. 11 (Dallas)	R. E. Harding
District No. 12 (San Francisco)	Paul S. Dick

Walter Lichtenstein, Secretary

1938

FEDERAL RESERVE SYSTEM
FEDERAL OPEN MARKET COMMITTEE

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

Chester C. Davis
John K. McKee

Oscar Newton
J. N. Peyton

Ronald Ransom
G. J. Schaller

John S. Sinclair
M. S. Szymczak

Chester Morrill, Secretary

S. R. Carpenter, Assistant 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

Federal Reserve Bank of Boston (Dist. 1)

OFFICERS

President	-	R. A. Young
First Vice President	-	W. W. Paddock
Vice President	-	W. Willet
Chairman and Federal Reserve Agent	-	F. H. Curtiss
Deputy Chairman	-	H. S. Dennison

Federal Reserve Bank of Boston (Dist. 1)

DIRECTORS

Term Expires

Dec. 31CLASS A

FORBES, Allan (Boston, Mass.)	1938 (elected)
DODGE, L. A. (Damariscotta, Me.)	1939
REED, L. S. (Waterbury, Conn.)	1940 (re-elected)

Class B

ALLEN p. R. (E. Walpole, Mass.)	1938
FORST, E. J. (Boston, Mass.)	1939
FRENCH, E. S. (Boston, Mass.)	1940 (re-elected)

Class C

CURTISS, F. H. (Boston, Mass.) Chairman and FR Agent	1938
DENNISON, H. S. (Framingham, Mass.) Deputy Chairman	1939
HARRIMAN, H. I. (Boston, Mass.)	1940 (appointed, Mar. 11)

Federal Reserve Bank of New York (Dist. 2)

OFFICERS

President	-	G. L. Harrison	
First Vice President	-	Allan Sproul	
Vice Presidents	-	L. R. Rounds	R. H. Gidney
		W. S. Logan	L. W. Knoke
		J. H. Williams	W. Randolph Burgess (res. 9/13)
Chairman and Federal Reserve Agent	-	Owen D. Young	
Deputy Chairman	-	Beardsley Ruml	

1938

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

<u>CLASS A</u>	<u>Term Began</u>	<u>Dec. 31</u> <u>Term Ended</u>
MILLS, Edward K. (Morristown)	1/1/36	1938 (Died 3/10/38)
PLOCH, William F. (Long Beach)	1/1/37	1939
POTTER, William C. (Old Westbury)	1/1/38	1940 (elected)
THOMPSON, Otis A. (Norwich)	5/31/38	1938
<u>CLASS B</u>		
TEAGLE, Walter C. (Port Chester)	1/1/36	1938
STEVENS, Robert T. (Plainfield)	1/1/37	1939
WATSON, Thomas J. (Lebanon, N. J.)	1/1/38	1940 (reelected)
<u>CLASS C</u>		
RUML, Beardsley (New York)	1/16/37	1938 (Deputy Chairman)
DAY, Edmund E. (Ithaca)	1/19/38	1939 (appointed Jan. 19)
YOUNG, Owen D. (Van Hornesville)	1/1/38	1940 (reappointed)(Chairman)

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	-	T. B. McCabe

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
WAYNE, Joseph (Jr.) (Philadelphia, Pa.)	1938
REILY, G. W. (Harrisburg, Pa.)	1939
HENNING, J. B. (Tunkhannock, Pa.)	1940 (re-elected)
 <u>Class B</u>	
SEWALL, A. W. (Philadelphia, Pa.)	1938
DeLaCOUR, J. C. (Camden, N.J.)	1939
STOUT, C. F. C. (Camden, N. J.)	1940 (re-elected)
 <u>Class C</u>	
AUSTIN, R. L. (Philadelphia, Pa.) Chairman and FR Agent	1938
McCABE, T. B. (Chester, Pa.) Deputy Chairman	1939
BIDDLE, Francis (Philadelphia, Pa.)	1940 (appointed)

Federal Reserve Bank of Cleveland (Dist. 4)

OFFICERS

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

Federal Reserve Bank of Cleveland (Dist. 4)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
BROOKS, F. F. (Pittsburgh, Pa.)	1938
CONNER, B. R. (Ada, Ohio)	1939
McDOWELL, H. B. (Sharon, Pa.)	1940 (elected)
 <u>Class B</u>	
CRABBS, G. D. (Cincinnati, Ohio)	1938
GALVIN, J. E. (Lima, Ohio)	1939
WRIGHT, R. P. (Erie, Pa.)	1940 (re- elected)
 <u>Class C</u>	
BURKE, E.S.(Jr.) (Cleveland, Ohio) Chairman and FR Agent	1938
KLAGES, R. E. (Columbus, Ohio)	1939
BRAINARD, G.C.(Youngtown, Ohio)	1940 (re-appointed)

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 Federal Reserve Agent	-	Robert Lassiter
Deputy Chairman	-	W. G. Wysor

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
JOHNSON, L. E. (Alderson, W.Va.)	1938
RIEMAN, C.E. (Baltimore, Md.)	1939
BRASWELL, J. C. (Rocky Mount, N.C.)	1940 (re-elected)
 <u>Class B</u>	
MALLOY, Edwin (Cheraw, S.C.)	1938
REED, C.C. (Richmond, Va.)	1939
HANNA, J. H. (Washington, D.C.)	1940 (re-elected)
 <u>Class C</u>	
SHERWOOD, Donald (Baltimore, Md.)	1938
WYSOR, W.G. (Richmond, Va.) Deputy Chairman	1939
LASSITER, Robert (Richmond, Va.) Chairman and FR Agent	1940 (re-elected)

Federal Reserve Bank of Atlanta (Dist. 6)

OFFICERS

President	-	Oscar Newton
First Vice President	-	R. S. Parker
Vice Presidents	-	H. F. Conniff W. S. McLarin, Jr. M. H. Bryan (eff. Feb. 11)
Chairman and Federal Reserve Agent	-	F. H. Neely
Deputy Chairman	-	

Federal Reserve Bank of Atlanta (Dist. 6)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
WHITE, G. J. (Mount Dora, Fla.)	1938
CLAY, R. G. (Atlanta, Ga.)	1939
COOK, W.D. (Meridian, Miss.)	1940 (re-elected)
 <u>Class B</u>	
GEORGE, F. T. (New Orleans, La.)	1938
McCRAWY, J.A. (Atlanta, Ga.)	1939
HALL, Fitzgerald (Nashville, Tenn.)	1940 (re-elected)
 <u>Class C</u>	
NEELY, F. H. (Atlanta, Ga.) Chairman and FR Agent	1938
PORTER, J.F. (Columbia, Tenn.)	1939
HARRIS, R.C. (New Orleans, La.)	1940 (appointed, Jan. 28)

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

1938

Federal Reserve Bank of Chicago (Dist. 7)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
WILLIAMS, F.D. (Iowa City, Iowa)	1938
CUMMINGS, W. J. (Chicago, Ill.)	1939
ESTBERG, E. R. (Waukesha, Wis.)	1940 (re-elected)
 <u>Class B</u>	
NOYES, N. H. (Indianapolis, Ind.)	1938
BABB, M. W. (Milwaukee, Wis.)	1939
CRAPO, S.T.(Detroit, Mich.)	1940 (re-elected)
 <u>Class C</u>	
WOOD, R.E.(Chicago, Ill.) Deputy Chairman	1938
Vacancy	
LEWIS, F.J. (Chicago, Ill.)	1940 (re-appointed)

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

OFFICERS

President	-	Wm. McC. Martin
First Vice President	-	F. G. Hitt
Vice Presidents	-	O. M. Attebery J. S. Wood C. M. Stewart
Chairman and Federal Reserve Agent	-	W. T. Nardin
Deputy Chairman	-	

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

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
LONSDALE, J. G. (St. Louis, Mo.)	1938
NAHM, M.B. (Bowling Green, Ky.)	1939
CORLIS, G. R. (Anna, Ill.)	1940 (elected)
 <u>Class B</u>	
STURDIVANT, M. P. (Glendora, Miss.)	1938
HARRIS, J. W. (St. Louis, Mo.)	1939
COUCH, H.C.(Pine Bluff, Ark.)	1940 (elected)
 <u>Class C</u>	
STANLEY, J. R. (Evansville, Ind.)	1938
NARDIN, W.T.(St. Louis, Mo.) Chairman and FR Agent	1939
JOHNSTON, Oscar (Scott, Miss.)	1940 (appointed)

Federal Reserve Bank of Minneapolis (Dist. 9)

OFFICERS

President	-	J. N. Peyton
First Vice President	-	O. S. Powell
Vice Presidents	-	H. I. Ziemer E. W. Swanson
Chairman and Federal Reserve Agent	-	W. B. Geery
Deputy Chairman	-	

1938

Federal Reserve Bank of Minneapolis (Dist. 9)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
KIBBEE, H. R. (Mitchell, S.D.)	1938
HANSEN, H.C. (Churchs Ferry, N.D.)	1939
GRANGAARD, M. O. (Minneapolis, Minn.)	1940 (re-elected)
 <u>Class B</u>	
O'CONNELL, J. E. (Helena, Mont.)	1938
FUNK, A. P. (LaCrosse, Wis.)	1939
WASHBURN, St. Paul, Minn.)	1940 (re-elected)
 <u>Class C</u>	
GEERY, W. B. (Minneapolis, Minn.) Chairman and FR Agent	1938
COFFEY, W.C. (St. Paul, Minn.)	1939 (app. Feb. 1)
COCHRAN, W.D. (Iron Mountain, Mich.)	1940 (appointed, Jan. 25)

Federal Reserve Bank of Kansas City (Dist. 10)

OFFICERS

President	-	G. H. Hamilton
First Vice President	-	C. A. Worthington
Vice Presidents	-	H. G. Leedy J. W. Helm
Chairman and Federal Reserve Agent	-	J. J. Thomas
Deputy Chairman	-	R. B. Caldwell (effective August 22)

Federal Reserve Bank of Kansas City (Dist. 10)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
MULLANEY, E. E. (Hill City, Kans.)	1938
EVANS, John (Denver, Colo.)	1939
SPONABLE, F. W. (Paola, Kans.)	1940 (re-elected)
 <u>Class B</u>	
PHILIPS, L. E. (Bartlesville, Okla.)	1938
HOSFORD, W. D. (Omaha, Nebr.)	1939
BERNARDIN, J. M. (Dawson, N.M.)	1940 (re-elected)
 <u>Class C</u>	
THOMAS, J. J. (Kansas City, Mo.) Chairman and FR Agent	1938
BROWN, E. P. (Davey, Nebr.)	1939
CALDWELL, R. B. (Kansas City, Mo.) Deputy Chairman	1940 (appointed, Feb. 11)

OFFICERS

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

Federal Reserve Bank of Dallas (Dist. 11)

	<u>DIRECTORS</u>	<u>Term Expires</u> <u>Dec. 31</u>
<u>Class A</u>		
MORRIS, Alf, (Winnsboro, Tex.)		1938
WINTON, E. H. (Fort Worth, Tex.)		1939
HOOKS, P. E. (Itasca, Tex.)		1940 (re-elected)
<u>Class B</u>		
MIDDLETON, J. D. (Greenville, Tex.)		1938
MILAM, J. R. (Waco, Tex.)		1939
WIESS, H. C. (Houston, Tex.)		1940 (elected)
<u>Class C</u>		
MERRITT, J. H. (Dallas, Tex.)	Chairman and FR Agent	1938
TAYLOR, Jay (Amarillo, Tex.)		1939

OFFICERS

President	-	W. A. Day
First Vice President	-	Ira Clerk
Vice Presidents	-	S. G. Sargent W. M. Hale C. E. Earhart
Chairman and Federal Reserve Agent	-	A. O. Stewart (resigned Oct. 1)
Deputy Chairman	-	St. George Holden

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
RAMSAY, T. H. (San Francisco, Calif.)	1938
POWELL, Keith (Salem, Ore.)	1939
McINTOSH, C. K. (San Francisco, Calif.)	1940 (re-elected)
 <u>Class B</u>	
WOLKMANN, W. G. (San Francisco, Calif.)	1938
TAYLOR, R. H. (Los Angeles, Calif.)	1939
COX, E. H. (San Francisco, Calif.)	1940 (re-elected)
 <u>Class C</u>	
STEWART, A. O. (San Francisco, Calif.) Chairman and FR Agt.	1938
THORPE, Carlyle (Los Angeles, Calif.)	1939
HOLDEN, St. George (San Francisco, Calif.) Deputy Chairman	1940 (appointed, May 20)

1938

Mar., Apr.

HEARINGS

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

HG
2560

Government ownership of the twelve Federal
reserve banks: HEARINGS ... 75th cong., 3d sess.
on H.R. 7230, a bill providing for government
ownership of the twelve federal reserve banks
and for other purposes, Mar. 2, 3, 4, 14, 15, 16, 17,
21, 22, 23, 24, 28, 31, Apr. 5, 6, 7, 12, 13, 19, 1938.
Wash., Govt. ptg. off., 1938.

.A21
1938

508 p.

Testi- Eccles, M.S. Apr. 12, pp. 443-463; Apr. 13, pp. 466-479
mony: Ransom, Ronald " 13, pp. 479-484; " 19, pp. 485-508

F.R.Bd.L.

a

1938

April 18

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

Loans or purchase of assets of insured
banks by Federal Deposit Insurance Corpora-
tion to prevent threatened insurance losses:
HEARING ... 75th cong., 3d sess. on H.J. Res. 655,
to amend paragraph (4) of subsection (n) of
section 12B of the Federal reserve act, as
amended. April 18, 1938. Wash., Govt. ptg.
off., 1938.

16 p.

F.R.Bd.L.

HEARINGS

HG
1782
.A2
1938

a

1938

HEARINGS

May 6,11,12

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

HG
2128
.A2
1938

Amendments of Federal Home Loan Bank act;
the Home Owners' Loan act; the Federal Reserve
act; and National Housing act: HEARINGS before
a subcommittee ... 75th cong.,3d sess. on S.3874
...May 6,11 and 12, 1938. Wash.,Govt.ptg.
off.,1938.

72 p.

F.R.Bd.L.

a

1938

HEARINGS

May 18

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

HG
2560

Bank contributions for charitable purposes:
HEARING ...75th cong., 3d session on S.4022,
a bill to amend the Federal reserve act in
regard to charitable contributions and for
other purposes. May 18, 1938. Wash., Govt.
ptg.off., 1938.

.A2
1938

6 p.

F.R.Bd.L.

a

1938

HEARINGS

June 7

U.S. Congress. House. Banking and currency committee HG
2560
Foreign branches and agencies of national banks .A22
and corporations engaged in foreign banking: 1938
HEARINGS ... 75th cong., 3d sess. on H.R. 10845, a
bill to amend the Federal Reserve Act with respect
to foreign branches and agencies of national banks
and corporations engaged in foreign banking. June 7, 1938
(Typewritten copy of hearings only.)
54 pp.

Testimony: Ransom, Ronald (Bd. mbr.) June 7 pp. 40-41
Wyatt, Walter (Gen. Coun. Bd.) " " 42-53
✓ Chester (Morrill), Secretary to F.R. Bd. pp. 48-53
F.R. Bd. L. 2 letters to Sen. Wagner, May 13, June 6 '38^a
No printed hearings - bill not passed.

1938

HEARINGS

June 7

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

HG
2560
.A22
1938

A bill to amend the Federal reserve act
with respect to foreign branches and agencies
of national banks and corporations engaged in
foreign banking. (H.R.10845) HEARINGS ...
75th cong., June 7, 1938. Wash., D.C., 1938.
54 p. (typ.)

Note: Unpublished hearings containing statements
of Ronald Ransom and Walter Wyatt.

F.R.Bd.L.

a

1938
February 3

LEGISLATION

[PUBLIC—No. 424—75TH CONGRESS]

[CHAPTER 13—3D SESSION]

[H. R. 8730]

AN ACT

To amend the National Housing Act, and for other purposes.

SEC. 13. The last sentence of paragraph "Seventh" of section 5136 of the Revised Statutes, as amended, is further amended by inserting before the colon after the words "guaranteed as to principal and interest by the United States" a comma and the following: "or obligations of national mortgage associations".

Approved, February 3, 1938.

1938
April 25

LEGISLATION

[PUBLIC—No. 492—75TH CONGRESS]

[CHAPTER 173—3D SESSION]

[S. 3400]

AN ACT

To extend from June 16, 1938, to June 16, 1939, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 22 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 375a), is amended by striking out the word "five" in the first sentence of such subsection and inserting in lieu thereof the word "six".

Approved, April 25, 1938.

1938

May 25

Waiver of double liability of stockholders by Federal Deposit
Insurance Corporation.

LEGISLATION

Section 12B of Federal Reserve Act was amended so as to provide for the waiver by the Federal Deposit Insurance Corporation, in connection with the liquidation of closed insured banks, of the so-called double liability of stockholders in States in which such double liability had not already been abolished by statute. (52 Stat. 442, Ch. 276.)

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

1938
June 16

LEGISLATION

[PUBLIC RESOLUTION—No. 116—75TH CONGRESS]

[CHAPTER 489—3D SESSION]

[H. J. Res. 655]

JOINT RESOLUTION

Amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, is amended by striking out "Until July 1, 1938, whenever" and inserting in lieu thereof "Whenever".

Approved, June 16, 1938.

1938
June 22

[PUBLIC—No. 696—75TH CONGRESS]

[CHAPTER 575—3D SESSION]

[H. R. 8046]

AN ACT

LEGISLATION

To amend an Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and Acts amendatory thereof and supplementary thereto; and to repeal section 76 thereof and all Acts and parts of Acts inconsistent therewith.

"SEC. 61. DEPOSITORIES FOR MONEY.—The judges of the several courts of bankruptcy shall designate, by order, banking institutions as depositories for the money of estates under this Act, as convenient as may be to the residences of receivers and trustees, and shall require from each such banking institution a good and sufficient bond with surety, to secure the prompt repayment of the deposit. Said judges may, in accordance with the provisions of, and the authority conferred in section 1126 of the Revenue Act of 1926, as amended (U. S. C., title 6, sec. 15), accept the deposit of the securities therein designated, in lieu of a surety or sureties upon such bond and may, from time to time as occasion may require, by like order increase or decrease the number of depositories or the amount of any bond or other security or change such depositories: *Provided*, That no security in the form of a bond or otherwise shall be required in the case of such part of the deposits as are insured under section 12 B of the Federal Reserve Act, as amended: *And provided further*, That depository banks shall place such securities, accepted for deposit in lieu of a surety or sureties upon depository bonds, in the custody of Federal Reserve banks or branches thereof designated by the judges of the several courts of bankruptcy, subject to the orders of such judges. All national banking associations designated as depositories, pursuant to the provisions of this section of this Act, are authorized to give such security as may be required. All pledges of securities heretofore made for the purposes herein named are hereby ratified, validated and approved.

Approved, June 22, 1938.

1938

FEDERAL RESERVE SYSTEM

POLICY ACTION

(See 1937 - Aug.1937 to April 1938)

13.712. Liability of Reserve Bank.-- Plaintiff, the payee of a check, caused it to be endorsed "for deposit", and gave it to Handrulis for safekeeping. Handrulis caused the check to be endorsed by one Alkoff and deposited in Alkoff's account in a commercial bank in New York City. The bank, a member of the Federal Reserve System, sent the check to the Federal Reserve Bank of New York, which collected the check and remitted the proceeds to its member banks. Plaintiff, never having received the proceeds, sued Handrulis, Alkoff and the Federal Reserve Bank in conversion.

The Court of Appeals, in reversing a judgment dismissing the complaint against the Federal Reserve Bank and granting a new trial, said that the bank, in a commercial sense, acted in bad faith because it was under a duty of inquiry by virtue of the endorsement, and that in these circumstances the failure to make inquiry made the bank liable, even within the reservations stated by Regulation J ("a Federal Reserve bank will . . . assume no liability except for its own negligence and its guaranty of prior endorsements"). Soma v. Handrulis, et al., 277 N. Y. 223 (1938).

13.2766. State Law as Precluding Set-off.---The Federal Reserve Bank sued on a note assigned to it by a national bank which had failed after the assignment. The defendant (Panama City, Florida) sought to set off the amount of its deposit in the national bank. The court held that the Federal Reserve Bank should recover the amount of the note without set off, in accordance with Florida Law. Panama City v. Federal Reserve Bank of Atlanta, 97 F. 2d 499 (1938).