

UNITED STATES GOVERNMENTEXECUTIVE OFFICERS

President	- Franklin D. Roosevelt (re-elected Nov. 1940, inaugurated Jan. 20, 1941)
Secretary of Treasury	- Henry Morgenthau, Jr. (appointed Jan. 1, 1934, served until July 23, 1943)
Comptroller of Currency	- Preston Delano (date of appointment Oct. 24, 1938)
Secretary of State	- Cordell Hull
Secretary of War	- Harry H. Woodring, Henry L. Stimson
Secretary of Navy	- Claude A. Swanson, Charles Edison, Frank Knox
Secretary of Interior	- Harold L. Ickes
Secretary of Agriculture	- Henry A. Wallace, Claude R. Wickard
Secretary of Commerce	- Harry L. Hopkins, Jesse Jones
Secretary of Labor	- Frances Perkins
Postmaster General	- James A. Farley, Frank C. Walker
Attorney General	- Frank Murphy, Robert Jackson

1940  
January

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

S E N A T E

Banking and Currency Committee

76th Congress

*Dem*  
Republicans

WAGNER, Robert F.  
GLASS, Carter  
BARKLEY, Alben W.  
BYRNES, James F.  
BANKHEAD, 2d, John H.  
ADAMS, Alva B.  
MALONEY, Francis T.  
RADCLIFFE, George L.  
BROWN, Prentiss M.  
HUGHES, James H.  
HERRING, Clyde L.  
SMATHERS, William H.  
Miller, John E.  
CLARK, D. Worth  
DOWNEY, Sheridan

New York  
Virginia  
Kentucky  
South Carolina  
Alabama  
Colorado  
Connecticut  
Maryland  
Michigan  
Delaware  
Iowa  
New Jersey  
Arkansas  
Idaho  
California

*Rep*  
Democrats

TOWNSEND jr. John G.  
FRAZIER, Lynn J.  
TOBEY, Charles W.  
DANAHER, John A.  
TAFT, Robert A.

Delaware  
North Dakota  
New Hampshire  
Connecticut  
Ohio

1940  
January

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

HOUSE OF REPRESENTATIVES

Banking and Currency Committee

76th Congress

Democrats

STEAGALL, Henry B.  
WILLIAMS, Clyde  
SPENCE, Brent  
FORD, Thomas F.  
BROWN, Paul  
WPATMAN, Wright  
EVANS, Marcellus H.  
BARRY, William B.  
SACKS, Leon S.  
GORE, Albert  
MILLS, Wilbur D.  
MARTIN, John C.  
FOLGER, Alonzo D.  
MONRONEY, A. S. Mike

Alabama  
Missouri  
Kentucky  
California  
Georgia  
Texas  
New York  
New York  
Pennsylvania  
Tennessee  
Arkansas  
Illinois  
North Carolina  
Oklahoma

Republicans

WOLCOTT, Jesse P.  
GIFFORD, Charles L.  
LUCE, Robert  
CRAWFORD, Fred L.  
GAMBLE, Ralph A.  
SIMPSON, Richard M.  
JOHNSON, Noble J.  
KEAN, Robert W.  
SUMNER, Jessie  
MILLER, William J.

Michigan  
Massachusetts  
Massachusetts  
Michigan  
New York  
Pennsylvania  
Indiana  
New Jersey  
Illinois  
Connecticut

Independent

HULL, Merlin Wisconsin

1940

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

Lawrence Clayton, Assistant to the Chairman

Elliott Thurston, Special Assistant 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, Assistant General Counsel

Division of Research and Statistics

E. A. Goldenweiser, Director,

Woodlief Thomas Assistant Director

Division of Examinations

Leo H. Paulger, Chief,

R. F. Leonard, Asst. Chief

C. E. Cagle, Asst. Chief

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)	Leon Fraser
District No. 3 (Philadelphia)	Howard A. Loeb, Vice President
District No. 4 (Cleveland)	B. G. Huntington
District No. 5 (Richmond)	Robert M. Hanes
District No. 6 (Atlanta)	Ryburn G. Clay
District No. 7 (Chicago)	Edward E. Brown, President
District No. 8 (St. Louis)	S. E. Ragland
District No. 9 (Minneapolis)	John Crosby
District No. 10 (Kansas City)	John Evans
District No. 11 (Dallas)	R. E. Harding
District No. 12 (San Francisco)	Paul S. Dick

1940

FEDERAL RESERVE SYSTEM  
FEDERAL OPEN MARKET COMMITTEE

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

Chester C. Davis  
William A. Day

Ernest G. Draper  
John K. McKee  
M. S. Szymczak

Robert S. Parker  
Ronald Ransom

George J. Schaller  
John S. Sinclair

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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

R. G. Rouse, Manager of System Open Market Account

## Federal Reserve Bank of Boston (Dist. 1)

OFFICERS

President	-	Roy A. Young
First Vice President	-	William W. Paddock
Vice President	-	W. Willett
Chairman and Federal Reserve Agent	-	Frederic H. Curtiss
Deputy Chairman	-	Henry S. Dennison

## Federal Reserve Bank of Boston (Dist. 1)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
REED, Lewis S. (Waterbury, Conn.)	1940
DODGE, Leon A. (Damariscotta, Me.)	1941
FORBES, Allan (Boston, Mass.)	1942 (re-elected)
<u>Class B</u>	
FRENCH, Edward S. (Springfield, Vermont)	1940
ALLEN, Philip R. (E. Walpole, Mass.)	1941
FROST, Edward J. (Boston, Mass.)	1942 (re-elected)
<u>Class C</u>	
HARRIMAN, Henry I. ( Boston, Mass.)	1940
CURTISS, Frederic H. (Boston, Mass.) Chairman and FR Agent	1941
DENNISON, Henry S. (Framing, Mass.) Deputy Chairman	1942 (re-appointed)



## Federal Reserve Bank of New York (Dist. 2)

OFFICERS

President	-	George L. Harrison	
First Vice President	-	Allan Sproul	
Vice Presidents	-	Ray M. Gidney	Leslie R. Rounds
		L. Werner Knoke	Robert G. Rouse
		Walter S. Logan	John H. Williams
Chairman and Federal Reserve Agent	-	Owen D. Young	
Deputy Chairman	-	Beardsley Ruml	

1940

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

<u>CLASS A</u>	<u>Term Began</u>	<u>Dec. 31 Term Ended</u>
POTTER, William C. (Old Westbury)	1/1/38	1940
THOMPSON, Otis A. (Norwich)	1/1/39	1941
DORRANCE, Neil H. (Camden, N. Y.)	1/1/40	1942
<u>CLASS B</u>		
WATSON, Thomas J. (Lebanon, N. J.)	1/1/38	1940
TEAGLE, Walter C. (Port Chester)	1/1/39	1941
STEVENS, Robert T. (Plainfield)	1/1/40	1942 (reelected)
<u>CLASS C</u>		
YOUNG, Owen D. (Van Hornesville)	1/1/38	1940 (Chairman)
RUML, Beardsley (New York)	1/1/39	1941 (Deputy Chairman)
DAY, Edmund E. (Ithaca)	1/1/40	1942 (reappointed)

OFFICERS

President - John S. Sinclair

First Vice President - Frank J. Drinnen

Vice Presidents - W. John Davis  
Ernest C. Hill  
Clarence A. McIlhenny

Chairman and Federal  
Reserve Agent - Thomas B. McCabe

Deputy Chairman - Alfred H. Williams

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
HENNING, J. B. (Tunkhannock, Pa.)	1940
WAYNE, Joseph (Jr.) (Philadelphia, Pa.)	1941
REILY, George W. (Harrisburg, Pa.)	1942 (re-elected)
 <u>Class B</u>	
STOUT, C. F. C. (Camden, New Jersey)	1940
CANNON, Harry L. (Bridgeville, Dela.)	1941
KERLIN, Ward D. (Camden, New Jersey)	1942 (elected)
 <u>Class C</u>	
WHITTIER, Warren F. (Douglassville, Pa.)	1940 (appointed)
WILLIAMS, Alfred (Philadelphia, Pa.) Deputy Chairman	1941
McCABE, Thomas B. (Chester, Pa.) Chairman and FR Agent	1942 (re-appointed)

## Federal Reserve Bank of Cleveland (Dist. 4)

OFFICERS

President	-	Matthew J. Fleming
First Vice President	-	Frank J. Zurlinden
Vice Presidents	-	William H. Fletcher William F. Taylor George H. Wagner
Chairman and Federal Reserve Agent	-	George C. Brainard
Deputy Chairman	-	Reynold E. Klages

## Federal Reserve Bank of Cleveland (Dist. 4)

DIRECTORSClass A

Term Expires  
Dec. 31

McDOWELL, Harry B. (Sharon, Pa.)  
BROOKS, Frank F. (Pittsburgh, Pa.)  
CONNER, Ben R. (Ada, Ohio)

1940  
1941  
1942 (re-elected)

Class B

WRIGHT, Ross P. (Erie, Pa.)  
CRABBS, George D. (Cincinnati, Ohio)  
MILLSOP, Thomas E. (Weirton, W. Va.)

1940  
1941  
1942 (elected Apr12)

Class C

BRAINARD, George C. (Youngstown, Ohio) Chairman and FR Agent  
STONE, James C. (Lexington, Ky.)  
KLAGES, Reynold E. (Columbus, Ohio) Deputy Chairman

1940  
1941 (res. Aug. 15)  
1942 (re-appointed)

1940

Federal Reserve Bank of Richmond (Dist. 5)

OFFICERS

President	-	Hugh Leach
First Vice President	-	John S. Walden, Jr.
Vice Presidents	-	John G. Fry George H. Keesee
Chairman and Federal Reserve Agent	-	Robert Lassiter
Deputy Chairman	-	W. G. Wysor

## Federal Reserve Bank of Richmond (Dist. 5)

DIRECTORSClass ATerm Expires  
Dec. 31

BRASWELL, James C. (Rocky Mount, N. Carolina)  
 JOHNSON, L. E. (Alderson, W. Va.)  
 RIEMAN, Chas. E. (Baltimore, Md.)

1940  
 1941  
 1942 (re-elected)

Class B

HANNA, John H. (Washington, D.C.)  
 MALLOY, Edwin (Cheraw, S. Carolina)  
 REED, Chas.C. (Richmond, Va.)

1940  
 1941  
 1942 (re-elected)

Class C

LASSITER, Robert (Charlotte, N. Carolina) Chairman and Agent  
 McCORMICK, Chalres P. (Baltimore, Maryland)  
 WYSOR, W.G. (Richmond, Va.) Deputy Chairman

1940  
 1941  
 1942 (re-appointed)



OFFICERS

President	-	Robert S. Parker
First Vice President	-	William S. McLarin, Jr.
Vice Presidents	-	Malcolm H. Bryan Harry F. Conniff
Chairman and Federal Reserve Agent	-	Frank H. Neely
Deputy Chairman	-	J. F. Porter

## Federal Reserve Bank of Atlanta (Dist. 6)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
COOK, W. D. (Meridian, Miss.)	1940
WHITE, George J. (Mount Dora, Florida)	1941
GLENN, Thomas K. (Atlanta, Georgia)	1942 (elected)
 <u>Class B</u>	
HALL, Fitzgerald (Nashville, Tenn.)	1940
GEORGE, Ernest T. (New Orleans, Louisiana)	1941
McCARY, J.A. (Decatur, Ga.)	1942 (re-elected)
 <u>Class C</u>	
HARRIS, Rufus C. (New Orleans, La.)	1940
NEELY, Frank H. (Atlanta, Ga.) Chairman and FR Agent	1941
PORTER, J. F. (Columbia, Tenn.) Deputy Chairman	1942 (re-appointed)

## Federal Reserve Bank of Chicago (Dist. 7)

OFFICERS

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

## Federal Reserve Bank of Chicago (Dist. 7)

DIRECTORSClass A

	Term Expires Dec. 31
ESTBERG, E. R. (Waukesha, Wis.)	1940
WILLIAMS, Frank D. (Iowa City, Iowa)	1941
CUMMINGS, Walter J. (Chicago, Ill.)	1942 (re-elected)

Class BClass C

1940

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

OFFICERS

President - William Mc C. Martin

First Vice President - F. Guy Hitt

Vice Presidents

Olin M. Attebery

Clarency M. Stewart

Chairman and  
Federal Reserve Agent

William T. Nardin

Deputy Chairman

Oscar G. Johnston

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

DIRECTORSClass ATerm Expires  
Dec. 31

CORLIS, G. R. (Anna, Ill.)  
MAESTRE, Sidney (St. Louis, Mo.)  
NAHM, Max B. (Bowling Green, Kent.)

1940  
1941  
1942 (re-elected)

Class B

COUCH, Harvey C. (Pine Bluff, Ark.)  
STANLEY, John R. (Evansville, Indiana)  
HARRIS, J. W. (St. Louis, Mo.)

1940  
1941  
1942 (re-elected)

Class C

JOHNSTON, Oscar G. (Scott, Miss.) Deputy Chairman  
BROOKS, Douglas W. (Memphis, Tenn.)  
NARDIN, William T. (St. Louis, Mo.) Chairman and FR Agent

1940  
1941 (appointed)  
1942 (re-appointed)

1940

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

Walter C. Coffey

Deputy Chairman

Roger B. Shepard (app. Mar. 12)

## Federal Reserve Bank of Minneapolis (Dist. 9)

DIRECTORSClass A

Term Expires
<u>Dec. 31</u>

GRANGAARD, Melvin O. (Minneapolis, Minn.)	1940
McKNIGHT, J. R. (Pierre, South Dakota)	1941
McCARTNEY, F. D. (Oakes, N. Dakota)	1942 (elected)

Class B

WASHBURN, William O. (St. Paul, Minn.)	1940
O'CONNELL, J. E. (Helena, Mont.)	1941
FUNK, Albert P. (La Crosse, Wis.)	1942 (re-elected)

Class C

COCHRAN, W. D. (Iron Mountain, Mich.)	1940
SHEPARD, Roger B. (St. Paul, Minnesota) Deputy Chairman	1941
COFFEY, Walter C. (St. Paul, Minnesota) Chairman and FR Agent	1942 (re-appointed)



1940

Federal Reserve Bank of Kansas City (Dist. 10)

OFFICERS

President	-	George H. Hamilton
First Vice President	-	Carroll A. Worthington
Vice Presidents	-	James W. Helm Harold G. Leedy
Chairman and Federal Reserve Agent	-	Robert B. Caldwell
Deputy Chairman	-	John J. Thomas

## Federal Reserve Bank of Kansas City (Dist. 10)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
*SPONABLE, Frank W. (Paola, Kansas)	1940 (died June 21)
*LIMBOCKER, M. A. (Emporia, Kansas)	1940 (elected Aug. 15)
MULLANEY, E. E. (Hill City, Kansas)	1941
DINES, T. A. (Denver, Colorado)	1942 (re-elected)
 <u>Class B</u>	
BERNARDIN, J. M. (Kansas City, Mo.)	1940
PHILLIPS, L. E. (Bartlesville, Oklahoma)	1941
HOSFORD, Willard D. (Omaha, Nebraska)	1942 (re-elected)
 <u>Class C</u>	
CALDWELL, R. B. (Kansas City, Mo.) Chairman and FR Agent=	1940
THOMAS, J. J. (Seward, Neb.) Deputy Chairman	1941
ROBERTS, Clarence (Oklahoma City, Okla.)	1942 (re-appointed)

OFFICERS

President	-	R. R. Gilbert
First Vice President-		E. B. Stroud
Vice Presidents	-	R. B. Coleman
		W. J. Evans
		W. O. Ford
Chairman and Federal Reserve Agent	-	J. H. Merritt
Deputy Chairman	-	Jay Taylor

## Federal Reserve Bank of Dallas (Dist. 11)

DIRECTORSClass ATerm Expires  
Dec. 31

HOOKS, Pat E. (Itasca, Tex.)  
 SEALE, Ford (Denison, Tex.)  
 WINTON, Ed. H. (Fort Worth, Tex.)

1940  
 1941  
 1942 (re-elected)

Class B

WEST, J. M. (Houston, Tex.)  
 \*KURTH, Ernest L. (Keltys, Tex.)  
 MILAN, Jesse R. (Waco, Tex.)  
 \*MIDDLETON, John D. (Greenville, Tex.)

1940  
 1941 (elected Sept. 14)  
 1942 (re-elected)  
 1941 (died June 17)

Class C

COZZO, Joseph B. (Dallas, Tex.)  
 MERRITT, James H. (Mc Kinney, Tex.) Chairman and FR Agent  
 TAYLOR, Jay (Amarillo, Tex.) Deputy Chairman

1940  
 1941  
 1942 (re-appointed)

## Federal Reserve Bank of San Francisco (Dist. 12)

OFFICERS

President	-	William A. Day
First Vice President	-	Ira Clerk
Vice Presidents	-	W. M. Hale R. B. West C. E. Earhart
Chairman and Federal Reserve Agent	-	R. C. Force (app. as Chairman and FR Agent on March 13)
Deputy Chairman	-	St. George Holden

1940

## Federal Reserve Bank of San Francisco (Dist. 12)

DIRECTORSClass ATerm Expires  
Dec. 31

McINTOSH, C. K. (San Francisco, Calif.)

1940

ODLIN, Reno (Tacoma, Wash.)

1941

BYRD, Carroll F. (Willos, California)

1942 (elected)

Class B

COX, Elmer H. (San Francisco, California)

1940

VOLKMANN, William G. (San Francisco, California)

1941

TAYLOR, Reese H. (Los Angeles, Calif.)

1942 (re-elected)

Class C

HOLDEN, St. George (San Francisco, Calif.) Deputy Chairman

1940

FORCE, R. C. (San Leandro, Calif.) Chairman and Fed. Res. Agt.

1941

(appointed, 3/8)

THORPE, Carlyle (Los Angeles, Calif.)

1942 (re-appointed)

1940

June 12, 14

HEARINGS

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

Business loans by Federal reserve banks:  
HEARINGS ... 76th cong., 3d sess. on S. 2998,  
a bill to establish a permanent industrial loan  
corporation to assist financing institutions in  
making credit available to commercial and in-  
dustrial enterprises and S. 3839, a bill to amend  
section 13b of the Federal reserve act, as  
amended, June 12 and 14, 1940. Wash., Govt.  
ptg. off., 1940.

51 p.

Testi- Eccles, M.S. June 12 and 14 p. 14.

mony:

F.R. Bd. L.

HG  
2560  
.A21  
1940

a

1940

HEARINGS

June 21,22

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

HG  
2560

Foreign accounts in Federal reserve banks:  
HEARINGS ... 76th cong.,3d sess. relative to  
foreign accounts in Federal reserve banks  
(S.4174 - H.R.10127) June 21 and 22, 1940.

.A2  
1940

Wash.,Govt.ptg.off.,1940.

28 p.

Testi- Dreibelbis, J.P. (F.R.Bd. legal) June 21, pp. 2-12, 12-15  
mony: Eccles, M.S. June 22 pp. 22-28.

Ransom, Ronald (Bd. mbr.) June 21, pp. 15-17  
June 22, pp. 23-25, 27

F.R.Bd.L.

a  
d



1940

May 7

Expansion of Presidential power to investigate, regulate or prohibit LEGISLATION  
"transfers of credit".

Certain technical and qualifying amendments were made to section 5(b) of the Trading With the Enemy Act of October 6, 1917, as amended. This amendment was for the purpose of clarifying the President's authority to regulate transactions and funds or other property in which foreign countries or their nationals have an interest. (Pursuant to the authority given him by section 5(b) of this Act, as amended, the President, having declared that a national emergency existed on May 27, 1941, by Executive Order 8843 issued on August 9, 1941, authorized the Board of Governors of the Federal Reserve System to regulate consumer credit.) (54 Stat. 179.)

Source: Federal Reserve Board Legal Memo, June 26, 1951 - Federal Statutory Changes 1900-1951 Governing the Issuance of Money and Restricted or Defining Bank Credit

1940  
June 11

LEGISLATION

[PUBLIC—No. 583—76TH CONGRESS]

[CHAPTER 301—3D SESSION]

[S. 1964]

AN ACT

To amend section 5136 of the Revised Statutes, as amended, to authorize charitable contributions by national banking associations.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 5136 of the Revised Statutes, as amended, is amended by adding at the end thereof the following new paragraph:

“Eighth. To contribute to community funds, or to charitable, philanthropic, or benevolent instrumentalities conducive to public welfare, such sums as its board of directors may deem expedient and in the interests of the association, if it is located in a State the laws of which do not expressly prohibit State banking institutions from contributing to such funds or instrumentalities.”

Approved, June 11, 1940.

1940  
June 15

LEGISLATION

[PUBLIC—No. 630—76TH CONGRESS]

[CHAPTER 366—3D SESSION]

[S. 2568]

AN ACT

To amend the Federal Credit Union Act (June 26, 1934, ch. 750, par. 1, 48 Stat. 1216, sec. 1761).

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 11 (d) of the Federal Credit Union Act be, and the same is hereby, amended by substituting for "\$50" where it appears in the fourth sentence thereof "\$100", so that said fourth sentence shall read as follows: "No loan in excess of \$100 shall be made without adequate security and no loan shall be made to any member in excess of \$200 or 10 per centum of the Federal credit union's paid-in and unimpaired capital and surplus, whichever is greater."

Approved, June 15, 1940.

1940  
June 29

LEGISLATION

[PUBLIC—No. 685—76TH CONGRESS]

[CHAPTER 455—3D SESSION]

[H. R. 8399]

AN ACT

To prohibit the receipt, possession, or disposition of money or property feloniously taken from a bank organized or operating under the laws of the United States or any member of the Federal Reserve System.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 2 of the Act of May 18, 1934, entitled "An Act to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System" (48 Stat. 783; U. S. C., title 12, sec. 588b), as amended, be further amended by adding thereto the following subsection:

"(c) Whoever shall receive, possess, conceal, store, barter, sell, or dispose of any property or money or other thing of value knowing the same to have been taken from a bank in violation of subsection (a) of this section shall be fined not more than \$5,000 or imprisoned not more than ten years, or both."

Approved, June 29, 1940.

1940  
October 10

LEGISLATION

[PUBLIC—No. 832—76TH CONGRESS]

[CHAPTER 841—3D SESSION]

[S. 844]

AN ACT

To simplify the accounts of the Treasurer of the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That after the reimbursement to the Treasury from funds derived from assessments made pursuant to section 8 of the Act of July 12, 1882, 22 Stat. 164, as amended (U. S. C., title 12, sec. 177), of all costs lawfully charged thereto for the fiscal year ending June 30, 1941, the balance of such funds shall be covered into the Treasury as miscellaneous receipts; and thereafter the cost of transporting and redeeming such outstanding national bank notes and Federal Reserve bank notes as may be presented to the Treasurer of the United States for redemption shall be paid from the regular annual appropriations for the Treasury Department.

Approved, October 10, 1940.

1940

## FEDERAL RESERVE SYSTEM

POLICY ACTION(See also 1939 - Oct.1939 to Jan.1940)Apparent Intent - Restrictive  
- For other purposes

Open Market Operations	-	Sold \$300 million of Government securities.
Discount Rate	-	.....
Reserve Requirements	-	.....
Selective Regulations	-	.....
Surrounding Circumstances	-	Partial offset to gold inflow; increased excess reserves; large amounts of funds seeking investment; Government security prices rose to new high levels. System sales also to maintain orderly market conditions.

Source: Joint Committee on the Economic Report  
Monetary Policy and the Management of the Public Debt (Patman Report) 1952,  
Page 221.

1940

25(b).102. Reserve Bank Acting as Fiscal Agent Dealing with Spanish Government.--

Plaintiff sued the Federal Reserve Bank, United States Lines Co., and the Superintendent of the United States Assay Office for damages allegedly arising out of the purchase by the U. S. Secretary of the Treasury of about six and a half million dollars worth of silver from certain persons purporting to act as the government of Spain, that government having later been deposed.

The Federal Reserve Bank, in the transaction, had acted as fiscal agent of the U. S., and as such had obtained the shipping documents so that the silver could be transported to the U. S. Assay Office. The first check in payment of the silver was drawn by the Federal Reserve Bank on the Treasurer of the United States.

The court held that a certificate by the Spanish Ambassador to the U. S. to the effect that the Spanish Government, which purported to sell the silver, had acquired title thereto, could not be challenged in the courts of this country.

Accordingly the court said "The point now before us now becomes a narrow one, indeed. It concerns only the form of the judgments to be entered, that is, whether a judgment in favor of the Reserve Bank should be based on its immunity from suit or on the merits." The court held that the Reserve Bank was "an independent corporation which had obtained possession of the plaintiff's property and allegedly had wrongfully disposed of it." Therefore, the bank was suable; however, judgment should be given in its favor on the merits. Banco de Espana v. Federal Reserve Bank of New York, et al., 114 F. 2d 438 (1940).

NOTE.--Paragraphs 3 to 6, inclusive, of Sec. 25(b), applicable to dealings with foreign states or their central banks, were added by the Act of April 7, 1941.