

10

Tentative circulation slip to
accompany Board's minutes.

X

*Attached is a copy of the minutes of the meeting of the Executive Committee of the Board of Governors of the Federal Reserve System held on August 23, 1935.

It is proposed that extracts of the entries in this set of minutes commencing on the pages, and dealing with the subjects, referred to below will be placed in the separate record required to be kept under the provisions of Section 10 of the Federal Reserve Act.

Page 1. Service of Mr. Harrison as director of the B. I. S.

" 7. Letter re deposit of The Security Bank and Trust Company, Wharton, Texas.

If you approve these minutes and the foregoing list, please initial below:

Mr. Eccles _____

Mr. Thomas _____

Mr. Hamlin _____

Mr. Miller _____

Mr. James _____

Mr. Szymczak _____

Mr. Clayton _____

X

*The minutes referred to are not attached as this is merely a draft of the proposed form.

85

10

Tentative cover for
Board's record

X

Record of Actions on Questions of Policy

by the

Board of Governors of the Federal Reserve System

Required by the
Last paragraph of Section 10
of the
Federal Reserve Act as amended
by the
Banking Act of 1935

X

92

Tentative fly leaf
in Board's record

X

This record has been prepared pursuant to the last paragraph of Section 10 of the Federal Reserve Act, as amended by the Banking Act of 1935, which reads as follows:

"The Board of Governors of the Federal Reserve System shall keep a complete record of the action taken by the Board and by the Federal Open Market Committee upon all questions of policy relating to open-market operations and shall record therein the votes taken in connection with the determination of open-market policies and the reasons underlying the action of the Board and the Committee in each instance. The Board shall keep a similar record with respect to all questions of policy determined by the Board, and shall include in its annual report to the Congress a full account of the action so taken during the preceding year with respect to open-market policies and operations and with respect to the policies determined by it and shall include in such report a copy of the records required to be kept under the provisions of this paragraph."

X

Sample entries in the Board's record.

Meeting of Executive Committee on Friday, August 23, 1935. 10

PRESENT: Mr. Eccles, Chairman
 Mr. Thomas, Vice Chairman
 Mr. Hamlin
 Mr. Miller

The Chairman reported that he had discussed with the Treasury Department the proposed service of Mr. Harrison, Governor of the Federal Reserve Bank of New York, as a director of the Bank for International Settlements, that he had pointed out that it was felt that there were important questions of policy as well as law upon which the Administration should be fully advised before reaching a conclusion on the matter, and that he had submitted to the Secretary of the Treasury copies of a memorandum on this subject and an opinion of the Board's counsel, which he had been assured would receive careful consideration. He stated that, in view of the fact that he expected to leave Washington tomorrow, August 24, for the West and would be absent during most of the month of September, he desired to recommend that if, during his absence, the question of Mr. Harrison's service as a director of the Bank for International Settlements be presented again, action on the matter be deferred. He suggested, however, that, if in the meantime the Board were advised that it had been found to be desirable from the standpoint of the Administration to have Mr. Harrison attend the October meeting of the board of directors of the Bank for International Settlements as an unofficial observer, the Board grant permission to Mr. Harrison to do so, with the understanding that he would report to the Board fully in writing in accordance with the requirements of the provisions of section 14(g) of the Federal Reserve Act.

The matter was discussed, and it was moved.

(1) that, if the question of Mr. Harrison's service as a director of the Bank for International Settlements be presented to the Board during Mr. Eccles' absence, action on the matter be deferred and;

(2) that if the Board be advised that it is considered by the Administration desirable for Mr. Harrison to attend the October meeting of the board of directors of the Bank for International Settlements in an unofficial capacity, the Board be prepared to grant permission to Mr. Harrison, as it did upon the occasion of his attendance at a meeting of the board of directors of the Bank for International Settlements in 1934, with the understanding that Mr. Harrison will submit a report to the Board in writing in accordance with the requirements of section 14(g) of the Federal Reserve Act.

The motion was put by the chair and was carried unanimously. 11 X