

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, April 6, 1932, at 12:00 o'clock noon.

PRESENT: Governor Meyer
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Pole

Mr. Morrill, Secretary
Mr. McClelland, Assistant Secretary
Mr. Harrison, Assistant to the Governor
Mr. Wyatt, General Counsel.

The minutes of the meeting of the Federal Reserve Board held on March 25, 1932, were approved.

The Board then considered and acted upon the following matters:

Telegram dated April 6, 1932, from the Federal Reserve Agent at St. Louis advising that the Board of Directors of the bank, at its meeting today, made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Letter dated April 4, 1932, from the Assistant Treasurer of the United States stating that no applications by national banks for the sale of bonds under Section 18 of the Federal Reserve Act were received in that office during the quarter ended March 31, 1932.

Noted.

Telegram to the Governor of the Federal Reserve Bank of Chicago, referring to proposed forms for use by that bank in connection with advances under Section 10(b) of the Federal Reserve Act, which were submitted with Deputy Governor Dillard's letter of March 23, 1932, and suggesting certain changes in the form of resolution to be adopted by the member bank authorizing

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the advance. The telegram also stated that if the revised form is prepared or approved by Counsel for the Federal Reserve Bank of Chicago it need not be resubmitted to the Federal Reserve Board, and suggested that it might be of assistance to the bank's counsel to examine the provisions of the Reconstruction Finance Corporation's form of application and promissory note. The telegram further stated that the Board's Counsel is transmitting to Deputy Governor Rounds of the Federal Reserve Bank of New York suggestions with regard to drafts of the forms submitted by his committee for use by the various Federal reserve banks in connection with advances under Section 10(a) of the Federal Reserve Act, and it is assumed that Deputy Governor Rounds will communicate further with the Federal Reserve Bank of Chicago regarding the matter.

Telegram approved.

Telegram to the Governors of all Federal reserve banks, except Chicago, stating that the proposed form of certification to be included in applications by member banks for advances under Section 10(b) of the Federal Reserve Act, which was inclosed in Deputy Governor Rounds' letter of March 19, 1932, to all Federal reserve banks, is satisfactory to the Board, that the Board's Counsel is transmitting to Deputy Governor Rounds for the consideration of his committee a few suggestions for changes in the proposed forms for use in connection with loans under Section 10(a), and that if the Counsel for the Federal reserve banks have any suggestions regarding the latter forms, it is assumed such suggestions will be transmitted to Deputy Governor Rounds so that they may be assembled and given consideration by his committee.

Telegram approved.

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Letter, for the signature of the Governor, to the Chairman of the Committee on Banking and Currency of the Senate, enclosing, pursuant to the requests made of the Governor at the hearings on Senate Bill 4115 on March 29, 1932, memoranda on the questions: (1) whether the proposed amendment to Section 14 of the Federal Reserve Act suggested on page 21 of the comments and recommendations of the Federal Reserve Board regarding Senate Bill 4115 would "abrogate the right of a Federal reserve bank to initiate the discount rate and transfer it to the Federal Reserve Board", and (2) whether the proposed amendment to Section 5136 of the Revised Statutes, contained in lines 11 to 19, inclusive, on page 36 of Senate Bill 4115 would be objectionable if the words "of any one obligor" were inserted immediately after the word "securities" in line 15; the memoranda stating, (1) that the proposed amendment to Section 14 of the Federal Reserve Act was not intended in any respect to increase or add to the powers of the Federal Reserve Board over discount rates of Federal reserve banks, and that it does not do so, and (2) that the proposed amendment to Section 5136, even as modified, might force national banks to dispose of some securities on an unfavorable market and might result in losses to the banks. The latter memorandum also invited attention to the comments on the remainder of Section 15 of the bill which are set forth in the memorandum which the Board submitted to the Committee on March 29, 1932.

The letter and enclosures were approved, as was a letter to Senator Carter Glass, transmitting copies of the memoranda for his information.

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Report of Standing Committee dated April 6, 1932, recommending approval of the following change in stock at a Federal reserve bank:

<u>Application for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 7.</u>		
National Bank of Mendota, Mendota, Illinois.	36	36

Approved.

Thereupon the meeting adjourned.

Chester Mowbray
Secretary.

Approved:

C. R. ...
Governor.