

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Tuesday, September 5, 1933, at 11:00 o'clock a. m.

PRESENT: Mr. James, Presiding

Mr. Hamlin

Mr. Thomas

Mr. Szymczak

Mr. Morrill, Secretary

Mr. Carpenter, Assistant Secretary

Mr. Martin, Assistant to the Governor.

Mr. Martin presented a copy of a resolution which had been handed to Governor Black before he left for Chicago on Saturday afternoon by Mr. Jesse Jones, Chairman of the Reconstruction Finance Corporation, with the suggestion that, if the resolution meets with the approval of the members of the Board, it be adopted by the Board and Mr. Jones authorized to announce the approval of the resolution by the Board in a speech which he is making this afternoon at the convention of the American Bankers Association in Chicago. Mr. Martin stated that Governor Black had informed him that, with the elimination of the last paragraph of the resolution as submitted by Mr. Jones, he is in favor of its adoption.

In accordance with Governor Black's suggestion, the resolution was adopted in the following form, and Mr. Martin was authorized to advise Governor Black that the Board has no objection to Mr. Jones announcing the Board's approval of the amended resolution in his speech this afternoon:

"WHEREAS, under the provisions of the Act of March 9, 1933, entitled 'AN ACT TO PROVIDE RELIEF IN THE EXISTING NATIONAL EMERGENCY IN BANKING, AND FOR OTHER PURPOSES', the Congress of the United States with the approval of the President, has provided funds, without limit, for the subscription, by the Reconstruction Finance Corporation, for preferred stock in national banking associations, state banks, or trust companies and for loans secured by such stock as collateral, and in proper instances for the purchase of capital notes or debentures, when in the opinion of the Secretary of the Treasury, with the approval of

9/5/33

-2-

24

"the President, any such banking institution is in need of funds for capital purposes in connection with their organization or reorganization, and

"WHEREAS, such increased capitalization of banks will enlarge the banking facilities of the nation so as to render the banks better able to meet the expanding demands of national recovery, and

"WHEREAS, experience has shown that banks which have supplemented their capital structure by this method have benefited from increased public confidence and cooperation.

"NOW, therefore, be it resolved, by the Federal Reserve Board that it recommends to the eligible banking institutions, within and without the Federal Reserve System, that they utilize the opportunities afforded by this legislation, to improve further their ability to finance the requirements of normal business activity."

Thereupon the meeting adjourned.

Chester Marill
Secretary.

Approved:

Geo. R. James

Chairman, Executive Committee.