

A meeting of the Federal Reserve Board and the Federal Advisory Council was held in Washington on Monday, November 19, 1934, at 10:20 a. m.

PRESENT: Mr. Eccles, Governor  
Mr. Thomas, Vice Governor  
Mr. Hamlin  
Mr. Miller  
Mr. James  
Mr. Szymczak

Mr. Morrill, Secretary  
Mr. Bethea, Assistant Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Goldenweiser, Director, Division  
of Research and Statistics  
Mr. Smead, Chief, Division of Bank  
Operations  
Mr. Paulger, Chief, Division of Exam-  
inations  
Mr. Wyatt, General Counsel

Messrs. Thomas M. Steele, Walter E. Frew, Howard A. Loeb, Howard Bruce, H. Lane Young, Solomon A. Smith, Walter W. Smith, Theodore Wold, W. T. Kemper, Joseph H. Frost and M. A. Arnold, members of the Federal Advisory Council from the First, Second, Third, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh and Twelfth Federal Reserve Districts, respectively.

Mr. Walter Lichtenstein, Secretary of the Federal Advisory Council.

Governor Eccles read to the Council the statement with regard to the relations between the Federal Advisory Council and the Federal Reserve Board which was approved at an earlier meeting of the Federal Reserve Board this morning, and thirteen copies of the statement were handed to the Secretary of the Council. Mr. Walter W. Smith, President of the Federal Advisory Council, said that the statement would be considered by the Federal Advisory Council in

11/19/34

-2-

its separate meeting.

Mr. Walter W. Smith referred to the work being done by the System Committee on Legislative Program and to the committee which had been appointed by the Federal Advisory Council to confer with the System Committee and he inquired whether the System Committee desired to confer with the Council's committee or with the Council.

Mr. Goldenweiser stated that Governor Harrison, who is Chairman of the System Committee, had been ill for several days and that it was for that reason that no conference with the Council's committee had been arranged.

Mr. Walter W. Smith then referred to topics suggested for discussion by the Council at its meeting, including the question what can be done to change the opinion that banks are not loaning as much as they should, the industrial loan program, the regulations of the Board with regard to margin requirements, and the question of allowing officers and directors of Federal reserve banks more latitude in connection with matters with which they are in closer touch than the Federal Reserve Board, such as Clayton Act applications, applications for trust powers, etc.

Mr. Arnold referred to an article appearing in the newspapers with regard to a plan under which member banks would deposit their holdings of Government bonds in a pool against which nation-wide transfers could be made. He stated that it would be a great convenience to the Pacific Coast banks if their long term Government securities could be deposited in the Federal Reserve Bank of New York,

11/19/34

where they would be easily available for sale or as security for borrowings from the local Federal reserve bank.

The matters referred to were discussed briefly.

Thereupon the meeting adjourned.

C. Lester Mowbray  
Secretary.

Approved:

[Signature]  
Governor.