

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, June 13, 1936, at 11:00 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Broderick

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

Consideration was given to each of the matters hereinafter referred to and the action stated with respect thereto was taken by the Board:

Memorandum dated June 12, 1936, from Mr. Paulger, Chief of the Division of Examinations, recommending that, effective as of the beginning of business on June 17, 1936, Mr. Thomas B. O'Donnell, Assistant Federal Reserve Examiner, be granted an additional thirty days leave of absence with pay on account of illness, or such part thereof as may be necessary to assure his recovery from a mastoid operation which he underwent on May 22, 1936.

Approved unanimously.

Letter to Mr. Hugh J. McMackin, Secretary, National Wholesale Wine and Liquor Dealers' Association, Boston, Massachusetts, reading as follows:

"This refers to your letter dated June 9, 1936, in which you state that you are advised that certain member banks of the Federal Reserve System refuse to accept for collection sight drafts with bills of lading attached covering the shipment of intoxicating liquor on the ground that the collection of such drafts would be in violation of the Criminal Code.

"You state that you have had this matter up with the Board of Governors of the Federal Reserve System and that you have been advised that the Criminal Code would not be

6/13/36

-2-

"so construed. Apparently you have misinterpreted the Board's letter to you dated June 1, 1935, regarding this matter. In that letter the Board stated that it had recently sent to the Federal Reserve banks a letter calling attention to the provisions of section 239 of the Criminal Code of the United States (U.S.C., Title 18, section 389). In its letter to you, the Board stated that the letter to the Federal Reserve banks was not intended to constitute a ruling or opinion of the Board and that its sole purpose was to bring to the attention of the Federal Reserve banks a statutory provision, the existence of which might have been overlooked.

"As the statute referred to is criminal in nature it falls within the jurisdiction of the Department of Justice rather than that of the Board and, accordingly, it would be inappropriate for the Board to express an opinion as to the proper interpretation of its provisions."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Merrill

Secretary.

Approved:

W. C. C. C.

Chairman.