

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, July 9, 1936, at 11:30 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. McKee
Mr. Ransom
Mr. Davis

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, 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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on July 8, 1936, were approved unanimously.

Telegrams to Mr. Robert Lassiter, Class C Director of the Federal Reserve Bank of Richmond, Mr. Thomas, Chairman of the Federal Reserve Bank of Kansas City, and Mr. Sargent, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the respective banks today of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to Mr. S. A. Jennings, Vice President, The Citizens National Bank & Trust Company, Mansfield, Ohio, reading as follows:

"This refers to your letter dated June 26, 1936, regarding the question whether a deposit of the Mansfield Cemetery Association may be classified by your bank as a savings deposit under the definition contained in section 1(e) of Regulation Q.

"The Board has recently taken the position that a corporation, association, or other organization engaged in the sale and maintenance of cemetery lots may be considered as an organization operated primarily for religious, philanthropic, charitable,

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"educational, fraternal or other similar purposes within the meaning of section 1(e) of Regulation Q. Accordingly, if the Mansfield Cemetery Association is in fact not operated for profit and if its deposit meets the other requirements of the regulation, such deposit may be classified by your bank as a savings deposit and interest may be paid thereon at a rate not exceeding that prescribed in the supplement to Regulation Q, which is now $2\frac{1}{2}$ per cent per annum. In view of the above ruling of the Board, it will be unnecessary for your bank to convert this deposit into a 'time deposit, open account' or other time deposit in order to continue to pay interest thereon, provided that the deposit complies with the other provisions of section 1(e) of Regulation Q.

"It is hoped that this information will answer the questions which you have in mind. If, however, you should have any other questions regarding this matter or any similar matter, it is believed that you may find it more convenient to communicate with the Federal Reserve Bank of Cleveland, which will be glad to answer your inquiries."

Approved unanimously.

Letter to Mr. W. S. Hildreth, Vice President, The Peoples National Bank, Charlottesville, Virginia, reading as follows:

"Receipt is acknowledged of your letter of July 1, 1936 making inquiry with respect to the applicability of the Board's Regulation U to a particular situation which you describe.

"In reply, you are advised that while Regulation U, at present, does not apply to loans made prior to May 1, 1936, only the reduced balance of the loan to which you refer would come within the exemption and any new advance secured directly or indirectly by any stock for the purpose of purchasing or carrying any stock registered on a national securities exchange would be subject to the regulation. Consequently, an additional advance such as you refer to would appear to be in violation of the Regulation.

"In the future if you have any further inquiry with respect to this regulation, it is believed that you will find it more convenient to address the same to the Federal Reserve Bank of Richmond, the officers of which bank will be very glad to assist you."

Approved unanimously.

Letter to Mr. Logan, General Counsel of the Federal Reserve Bank of

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New York, reading as follows:

"In response to your letter of July 1, 1936, you are advised that the Board has approved payment by the Federal Reserve Bank of New York to Messrs. Pitney, Hardin & Skinner, Esqs., attorneys at Newark, New Jersey, the sum of \$2358.41 as attorneys' fees in connection with services rendered and expenses incurred in connection with the loan by the Federal Reserve Bank of New York to the Passaic Print Works, Inc., of Passaic, New Jersey.

"You are also advised that the Board approves the continuance of their employment in the event it becomes necessary to defend the title to the mortgaged property sold under an agreement whereby the Federal Reserve Bank of New York, in effect, has warranted the title of such property to the purchaser."

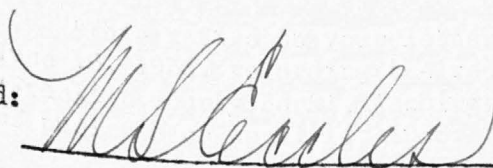
Approved unanimously.

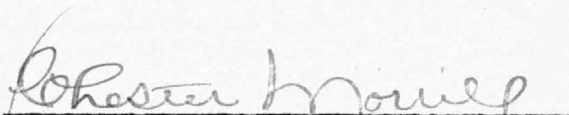
Memorandum dated July 7, 1936, from Mr. Smead, Chief of the Division of Bank Operations, submitting, for the information of the Board, the final report of the Committee on the Destruction of Records Maintained by the Federal Reserve Banks, appointed by the Governors' Conference in March 1935, which will be submitted for action at the next meeting of the Presidents' Conference. The memorandum recommended that the Board defer action on the report until after it had been considered by the Presidents' Conference and the recommendations of the Conference received.

Approved unanimously.

Thereupon the meeting adjourned.

Approved:


Chairman.


Secretary.