

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, October 10, 1936 at 11:00 a. m.

PRESENT: Mr. Szymczak
Mr. McKee
Mr. Davis

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

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

Letter to Mr. Sproul, First Vice President of the Federal Reserve Bank of New York, reading as follows:

"The Board of Governors of the Federal Reserve System has received your letter of October 2, and approves the action taken by the Board of Directors of your bank on October 1, 1936, in granting to Mr. Edward O. Douglas, Manager, Bill Department and Manager, Collection Department, one week's leave of absence with pay in addition to his regular 1936 vacation period."

Approved unanimously.

Telegram to Mr. Thomas, Federal Reserve Agent at the Federal Reserve Bank of Kansas City, reading as follows:

"Relet September 30, 1936. Board approves your appointment of W. R. Young and I. A. Thornton as Acting Assistant Federal Reserve Agents at your bank to be stationed at the Denver and Omaha branches respectively, with understanding that, before such approval becomes effective, they will resign their positions in Federal Reserve bank and will be placed on your payroll and that thereafter will be solely

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"responsible to you. However, when not engaged in performance of their duties as Acting Assistant Federal Reserve Agents, they may be detailed by you, with approval of President, to perform such work for Federal Reserve bank as will not be inconsistent with their duties as Acting Assistant Federal Reserve Agents. Young and Thornton should each execute oath of office and surety bond, in amount of \$50,000, as Acting Assistant Federal Reserve Agents. Please forward such oaths and bonds to Board, but, before doing so, your counsel should be satisfied that bonds comply with rules printed on reverse side of bond Form 182. Young and Thornton should not enter upon their duties in such capacities until you have received advice of Board's approval of their bonds. Please advise whether you have any objection to release, as of October 1, 1936, of bond covering Mr. T. Gordon Sanders as Acting Assistant Federal Reserve Agent."

Approved unanimously.

Letter to the Federal Deposit Insurance Corporation, reading as follows:

"Referring to your letter of October 7, regarding the assumption of the deposit liabilities of the First State Bank, Gruver, Texas, by the First State Bank, Spearman, Texas, in consideration of the acquisition by the latter bank of a compensating amount of assets composed of United States government securities, this is to advise that such transaction is satisfactory to the Board of Governors of the Federal Reserve System.

"In this connection, it is noted that in your previous letter under date of September 11, upon the same subject, you referred to the acquisition by the First State Bank, Spearman, Texas, of United States government bonds and cash. It is assumed that the failure to include cash in your letter of October 7 is a mere oversight as the Board understands that the transaction contemplates the acquisition of cash and United States government bonds. If this is not correct, the Board will appreciate prompt advice."

Approved unanimously.

Letter to Mr. Sargent, Vice President of the Federal Reserve Bank

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of San Francisco, reading as follows:

"This refers to Chief Examiner Sonne's letter of September 25, 1936, with regard to possible violations of the provisions of section 5208 of the Revised Statutes and section 9 of the Federal Reserve Act by certain officers of the Springville Banking Company, Springville, Utah, through the certification of checks when the depositors drawing such checks did not have on deposit at the time of certification an amount of money equal to the amount specified in such checks.

"In view of the fact that criminal penalties are provided for violation of section 5208 of the Revised Statutes, the Board feels that the matter should be reported to the Department of Justice in the usual manner. It will be appreciated, therefore, if you will report the facts in this matter to the local United States Attorney and forward three copies of such report to the Board for transmission to the Attorney General of the United States."

Approved unanimously.

Letter to Mr. McKinney, President of the Federal Reserve Bank of Dallas, reading as follows:

"Referring to your telegram of October 5, 1936, and the Board's letter of October 9, 1936 (X-9714), the Board has no objection to the discontinuance by your bank and its branches of the practice of forwarding by mail confirmations of telegrams sent to the Board."

Approved unanimously.

Thereupon the meeting adjourned.

Charles Morrie
Secretary.

Approved:

M. S. [Signature]
Member.