

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, October 13, 1936, at 3:30 p. m.

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

Mr. Morrill, Secretary
 Mr. Bethea, Assistant Secretary
 Mr. Carpenter, Assistant Secretary
 Mr. Clayton, Assistant to the Chairman
 Mr. Thurston, Special Assistant to the Chairman
 Mr. Wyatt, General Counsel
 Mr. Goldenweiser, Director of the Division of Research and Statistics
 Mr. Gardner, Research Assistant in the Division of Research and Statistics

Chairman Eccles reported that he and Mr. Ransom had met at luncheon today with the Secretary of the Treasury, Assistant Secretary of the Treasury Taylor, and Mr. Upham, Special Assistant to the Secretary, and had discussed with them in a general way the relations of the Treasury with the Board and with the Federal reserve banks as fiscal agents of the Treasury; that it had been agreed that there was an over-lapping of the fields of interest of the Board and the Treasury and that it would be desirable to arrange for such cooperation and exchange of information as might be practicable and necessary to enable the Board and the Treasury to meet their respective responsibilities fully. At the suggestion of the Secretary, Chairman Eccles said, the

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luncheon meeting was followed by a further conference between the Chairman and Vice Chairman of the Board and Messrs. Taylor and Upham at which it was agreed that Messrs. Goldenweiser and Gardner of the Board's staff should meet with Messrs. Haas, White and Lochhead of the Treasury staff for the purpose of working out an arrangement under which information can be properly exchanged between the Treasury and the Board and that these meetings should be under the chairmanship of Mr. Upham. Mr. Eccles also stated that it was understood that the arrangement to be worked out should provide for periodic conferences between the members of the staff of the Board and of the Treasury Department above referred to for the discussion of such information and that Messrs. Eccles and Ransom would also meet at regular intervals with the Secretary of the Treasury and Assistant Secretary of the Treasury Taylor for the purpose of discussing these matters.

There followed a discussion of the suggested arrangement with the Treasury, and of the relations of the Board and the Federal Reserve Bank of New York under section 14(g) of the Federal Reserve Act in connection with which a conference with Messrs. Harrison, Sproul and Knoke of the Federal Reserve Bank of New York was contemplated. It was suggested that there be prepared a draft of a statement of the procedure which the Board would like to have the Federal reserve banks follow in compliance with the provisions of section 14(g) of the Federal Reserve

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Act in advising the Board of relations and transactions with foreign banks and bankers.

Upon motion by Mr. Ransom, Messrs. Morrill, Goldenweiser and Wyatt were requested to prepare such a draft for consideration by the Board.

In this connection it was stated that October 20, 1936, had been suggested as the date for the meeting with the representatives of the Federal Reserve Bank of New York; that because of other pressing matters it might not be possible to have the statement referred to above ready for consideration by October 20; and that President Harrison had planned to be in Kansas City later during that week.

Accordingly, upon motion by Mr. Szymczak, the date for the meeting with the representatives of the Federal Reserve Bank of New York was fixed for 10:30 a. m. on the morning of October 27, 1936, and it was understood that Chairman Eccles would advise President Harrison accordingly.

Mr. Morrill stated that he had received an informal request from Mr. Karl W. Corby, President of the District of Columbia Bankers Association, that a member of the Board's staff address the Fall meeting of the Association on October 26 on the present banking situation in European countries such as England, France, Belgium and Switzerland, it being understood that the meeting would not be reported and that it was not expected that any information of a confidential nature would be disclosed.

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It was agreed unanimously that Mr. Gardner should attend the meeting for the purpose of making the desired address.

At this point Messrs. Thurston, Wyatt, Goldenweiser and Gardner left the meeting and consideration was then given to each of the matters hereinafter referred 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 October 9, 1936, were approved unanimously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on October 10 and 12 (2 meetings) were approved and the actions recorded therein were ratified unanimously.

Letter to the board of directors of "The First Citizens State Bank of Whitewater, Wisconsin", Whitewater, Wisconsin, stating that, subject to the conditions of membership numbered 1 to 3 contained in the Board's Regulation H, and the following special conditions, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago:

- "4. Such bank shall make adequate provision for depreciation in its banking house and furniture and fixtures.
- "5. Prior to admission to membership such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$1,955.77, as shown in the report of examination of such bank as of September 14, 1936, made by an examiner for the Federal Reserve Bank of Chicago."

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Approved unanimously, together with a letter to Mr. Schaller, President of the Federal Reserve Bank of Chicago, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of 'The First Citizens State Bank of Whitewater, Wisconsin', Whitewater, Wisconsin, for membership in the Federal Reserve System, subject to the conditions prescribed in the inclosed letter which you are requested to forward to the board of directors of the institution. Two copies of such letter are inclosed, one of which is for your files and the other of which you are requested to forward to the Commissioner of Banking for the State of Wisconsin for his information.

"While the papers submitted with the bank's application included a copy of its Certificate of Incorporation, they did not include a copy of its Articles of Incorporation, and the copies of the amendments to the Articles of Incorporation which were furnished were not 'certified by the appropriate State official', as required by the Board's Form 83A. It will be appreciated, therefore, if you will obtain and forward to the Board a properly certified copy of such Articles of Incorporation, together with a certificate from the appropriate official of the State of Wisconsin to the effect that the copies of the amendments referred to are true copies and evidence all of the amendments which have been made to the Articles of Incorporation."

Thereupon the meeting adjourned.

Chester Morrill
Secretary.

Approved:

W. Schaller
Chairman.