

12/17/36
A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, December 17, 1936, at 11:00 a. m.

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

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:

Telegrams dated December 16, 1936, to Mr. Austin, Chairman of the Federal Reserve Bank of Philadelphia, and Mr. Dillard, Deputy Chairman of the Federal Reserve Bank of St. Louis, stating that the Board approves the establishment without change by the respective banks on that date of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated December 17, 1936, from Mr. Wyatt, General Counsel, recommending the appointment of Mr. Jerome W. Shay as a law clerk in the Legal Division, with salary at the rate of \$2,000 per annum, effective as of the date upon which he enters upon the performance of his duties after having satisfactorily passed the usual physical examination.

Approved unanimously.

12/17/36

-2-

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

"This refers to your letter of November 30, 1936, and its inclosures, relating to the status of Associates of Morris County, Inc., Morristown, New Jersey, as a holding company affiliate under the provisions of section 2(c) of the Banking Act of 1933, as amended by section 301 of the Banking Act of 1935.

"The Board has determined that Associates of Morris County, Inc., is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of section 2(c) of the Banking Act of 1933, as amended by section 301 of the Banking Act of 1935, and, accordingly, that corporation is not a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act.

"Inclosed herewith is a letter to Associates of Morris County, Inc., advising it concerning the Board's action in this matter. Please transmit the letter to that corporation. A copy of the letter is also inclosed for your files.

"As you will note, the Board expressly reserves the right to make a further determination of this matter at any time on the basis of the then existing facts. In this connection, it is requested that you advise the Board if, at any time, you believe this matter should again be considered by it."

Approved unanimously, together with a letter to "Associates of Morris County, Inc.", Morristown, New Jersey, reading as follows:

"This refers to your corporation's request that the Board determine that it is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies.

"The Board understands that your corporation owns or controls all or substantially all of the stock of First National Bank in Rockaway, New Jersey, but that it does not own or control any stock of, or manage or control, any bank other than First National Bank in Rockaway.

"In view of these facts, the Board has determined that your corporation is not engaged, directly or indirectly, as a business in holding the stock of, or managing

12/17/36

-3-

"or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of section 2(c) of the Banking Act of 1933, as amended by section 301 of the Banking Act of 1935, and, accordingly, your corporation is not a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act.

"If, however, your corporation should at any time own or control a substantial portion of the stock of, or manage or control, any bank other than First National Bank in Rockaway, this matter should again be submitted to the Board for its determination. The Board reserves the right to make a further determination of this matter at any time on the basis of the then existing facts."

Telegram to Mr. Day, President of the Federal Reserve Bank of San Francisco, reading as follows:

"Referring your December 10 letter, Board approves proposed transfer of out-of-town reserve accounts now carried with Spokane branch to the Seattle branch, with possibly few exceptions of banks more closely connected to Portland branch area, and discontinuance at Spokane branch of all services other than the collection of checks payable in city of Spokane and currency service for the Spokane banks."

Approved unanimously, Mr. Broderick having approved by wire from El Paso, Texas.

Telegram dated December 16, 1936, to the Presidents of all Federal reserve banks except Chicago, reading as follows:

"One Federal Reserve bank has expressed desire to discontinue issuance of annual report formerly submitted by Federal Reserve agent, but intends to issue summary annual report to stockholders as heretofore. Will appreciate advice as to attitude of your bank toward discontinuance of preparation and publication of annual report to Board heretofore issued by agent. If discontinued, the summary of economic developments of the previous year formerly a part of the annual report might be included in the monthly review for January or February. Board's annual report as heretofore will show detailed statistical information for System as a whole."

Approved unanimously.

12/17/36

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. ...
Chairman.