

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, March 4, 1937, at 11:30 a. m.

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

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

Mr. Davis referred to the action taken at the meeting of the Board on February 2, 1937, and recommended that Mr. Jay Taylor, Amarillo, Texas, be appointed a Class C director of the Federal Reserve Bank of Dallas for the unexpired portion of the three-year term ending December 31, 1939.

Mr. Taylor was appointed a Class C director of the Federal Reserve Bank of Dallas in accordance with Mr. Davis' recommendation.

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

Telegrams to 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. Sargent, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"In accordance with the request contained in your letter of February 25, 1937, the Board approves the appointment of Henry

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"F. Dryden as assistant examiner for the Federal Reserve Bank of San Francisco."

Approved unanimously.

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

"Reference is made to Mr. Dillistin's letter of January 27, 1937, transmitting a request of the 'Lawyers Trust Company', New York, New York, for a further extension of the time within which the bank may complete compliance with the following condition of membership:

'19. Such bank shall, within six months from the date of its admission to membership, dispose of any loans which may be secured in whole or in part by its own stock or obtain other security for each such loan.'

"The bank was admitted to membership April 13, 1933, and the Board has granted four previous extensions of the time within which the bank might comply with the provisions of the condition, the last of which expires March 1, 1937. Since admission to membership, however, some progress has been made in disposing of the stock held as collateral and in reducing the loans against which the stock is held. In this connection it has been noted that the 1,311 shares still held as collateral represent a relatively small proportion of the 80,000 shares outstanding, and Vice President Broderick states that the bank has found it difficult to market the stock at the present time.

"In view of the circumstances, therefore, the Board extends to March 1, 1938 as recommended by Mr. Dillistin, the time within which the Lawyers Trust Company may comply with the provisions of condition of membership numbered 19."

Approved unanimously.

Letter to Mr. Young, Vice President of the Federal Reserve Bank of Chicago, reading as follows:

"Reference is made to your letter of February 27, 1937, submitting to the Board the application of the 'Corn Belt Bank', Bloomington, Illinois, for permission to retire \$5,000 of its \$100,000 of outstanding capital debentures owned by the Reconstruction Finance Corporation.

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"The Board has considered the information submitted, and, in view of the circumstances and in accordance with your recommendation, grants its permission for the proposed retirement, provided, of course, that the transaction has the approval of the appropriate State authorities."

Approved unanimously.

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

"Reference is made to your letter of February 11 requesting the Board's approval of the action taken by the board of directors of your bank, at its meeting on February 5, in fixing compensation and allowances for the member of the Federal Advisory Council representing the Eleventh District for the year 1937, as follows:

- (a) Compensation and allowance for attending meetings of the Federal Advisory Council, the amount of \$275 for each meeting attended.
- (b) Transportation and subsistence expenses for attending meetings of the board of directors of your bank.

"In accordance with the request contained in your letter the Board authorizes your bank, until further notice, to pay to the member of the Federal Advisory Council representing the Eleventh District an amount not to exceed \$275 for each meeting of the Council attended in lieu of fees and expenses, and to pay the transportation and subsistence expenses incurred by the Council member in attending meetings of the board of directors of your bank.

"The Board's telegram of March 11, 1936 to Mr. McKinney authorized your bank, until further notice, to pay an amount not to exceed \$350 toward the expenses of the secretary's office of the Federal Advisory Council. Accordingly, no further action by the Board appears necessary at this time in connection with your bank's share of the expenses of the secretary's office if such expenses are within the amount authorized in the above-mentioned telegram."

Approved unanimously.

Memorandum dated March 3, 1937, from Mr. Kramer, Superintendent of Construction for the Board's new building, transmitting a requisition in

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the amount of \$236,400 submitted by the George A. Fuller Company covering the entire estimated value of the work completed on the Board's new building during the month of February, and recommending, for the reasons stated in the memorandum, and with the concurrence of Mr. Morrill, that the requisition be approved and that no increase be made in the amount retained by the Board until final completion and acceptance by the Board of all work covered by the contract.

Approved unanimously.

Thereupon the meeting adjourned.

Robert Morrill  
Secretary.

Approved:

W. S. Leach  
Chairman.