

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, April 2, 1937, at 11:30 a.m.

PRESENT: Mr. Eccles, Chairman
 Mr. Ransom, Vice Chairman
 Mr. Broderick
 Mr. Szymczak
 Mr. McKee
 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 April 1, 1937, were approved unanimously.

Telegrams to Messrs. Kimball, Strater and Young, Secretaries of the Federal Reserve Banks of New York, Cleveland and Chicago, respectively, stating that the Board approves the establishment without change by the New York bank on April 1, 1937, and by the Cleveland and Chicago banks today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Telegram to Mr. Albert K. Mitchell, President, American National Livestock Association, Albert, New Mexico, reading as follows:

"Board of Governors of Federal Reserve System has appointed you director Denver branch of Federal Reserve Bank of Kansas City for unexpired portion of three-year term ending December 31, 1937. Please wire acceptance collect."

Approved unanimously.

Letter to Mr. William Prentiss, Jr., Acting Comptroller of the Currency, reading as follows:

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"The Board of Governors appreciates your cooperation in making available the services of the national bank examiners, when abroad examining foreign branches of national banks, to examine for the Board the foreign branches of The Chase Bank, New York, N. Y., a corporation organized under the provisions of section 25(a) of the Federal Reserve Act. Such branches are in Paris, France, and Shanghai, Hongkong, and Tientsin, China. As stated in the Board's letter of March 2, 1937, your office will be reimbursed for the expenses of the examinations. In accordance with the suggestion contained in your letter of March 24, the commissions inclosed herewith have been issued in the names of Messrs. Francis R. Steyert and Theodore T. Trepanier.

"It will be appreciated if, before leaving for Europe, either or both of the examiners will discuss further arrangements with the Board's Division of Examinations."

Approved unanimously.

Letter to Mr. Hamilton, President of the Federal Reserve Bank of Kansas City, reading as follows:

"This refers to your letter of March 16, 1937, and to Mr. Worthington's telegram of March 26, 1937, regarding the application of 'The Sedan State Bank', Sedan, Kansas, for permission to retire \$12,500 of its preferred stock which is held by the Reconstruction Finance Corporation.

"In the light of all the circumstances involved and in accordance with your recommendation, the Board will interpose no objection to the proposed retirement, provided the bank complies with the conditions outlined by the Bank Commissioner of the State of Kansas, as described in your letter.

"You have also recommended that the Board's action be made subject to the further condition that The Sedan State Bank defer any distribution of earnings to its stockholders until such time as its other real estate account has either been eliminated or materially reduced. In view of the requirements of the State Bank Commissioner, the fact that the bank has paid no dividends on its common stock for a number of years, and since the information available does not indicate that the bank contemplates paying any dividends immediately after the expiration of the year 1937, the Board does not deem it necessary to prescribe such a condition. The Board feels, however, that the bank should use its best efforts to effect a disposition of its other real estate as soon as is reasonably practicable, and it will be appreciated if you will so advise the bank."

Approved unanimously.

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

"Reference is made to your letter of March 25 advising that Mr. Miers Crump, Managing Director of the San Antonio Branch, has been elected President of the San Antonio Rotary Club for the fiscal year beginning July 1, 1937, and is expected to attend the International Convention of Rotary Clubs to be held in Nice, France, from June 6 to June 11, inclusive; also that the Executive Committee of your bank has voted to grant Mr. Crump a leave of absence of 26 days in addition to his regular vacation period in order to make the proposed trip.

"The Board of Governors will interpose no objection to the granting of 26 days leave in addition to the regular vacation period to Mr. Crump under the circumstances, if approved by the Board of Directors of your bank."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morley
Secretary.

Approved:

W. S. ...
Chairman.