

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, April 23, 1937, at 10:30 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 22, 1937, were approved unanimously.

Telegrams to Messrs. Clark, and Young, Secretaries of the Federal Reserve Banks of Atlanta, and Chicago, respectively, stating that the Board approves the establishment without change by the banks today of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated April 19, 1937, from Mr. Paulger, Chief of the Division of Examinations, recommending the appointment of Miss Eleanor C. Giovanetti on a temporary basis for a period of two months as a stenographer in the Division, with salary at the rate of \$120 per month, effective as of the date upon which she enters upon the performance of her duties.

Approved unanimously.

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

"In response to your letter of April 19, 1937, you are advised that the Board, subject to the terms of its letter of April 15, 1936 (X-9548), relating to the employment of special counsel, approves the employment of Pitney, Hardin and Skinner, Esquires, attorneys of Newark, New Jersey, in the matter of your claim against the Lambertville Rubber Company, Incorporated, of New Jersey, which it appears is in involuntary bankruptcy under section 77(b) of the Federal Bankruptcy Act."

Approved unanimously.

Letter to the board of directors of the "St. Louis County Bank", Clayton, Missouri, stating that, subject to the conditions of membership numbered 1 to 3 contained in the Board's Regulation H and the following special condition, 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 St. Louis:

- "4. Such bank shall make adequate provision for depreciation in its banking house and furniture and fixtures."

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

"The Board of Governors of the Federal Reserve System approves the application of the 'St. Louis County Bank', Clayton, Missouri, 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 also inclosed, one of which is for your files and the other of which you are requested to forward to the Commissioner of Finance for the State of Missouri for his information.

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"It has been noted that one of the directors of the bank, Forrest B. Wetzel, is reported to be a member of a firm of security dealers, that the provisions of section 32 of the Banking Act of 1933 were discussed with him by the examiner, and that he offered to resign upon the bank's becoming a member of the System. It is assumed that it has been ascertained that the firm in question is engaged in the business described in section 32 of the Banking Act of 1933, and that the business of the firm is not confined to securities of the type which would permit the relationship to continue under the exceptions provided in the Board's Regulation R. On such assumption, it is requested, therefore, that the bank be informed of the necessity of complying with the provisions of section 32 and the Board's Regulation R as they relate to the services of Mr. Wetzel. Please advise the Board of the steps which are taken to conform to such provisions.

"The Board has not prescribed the special conditions of membership recommended by the Federal Reserve Bank regarding the future acquisition of assets of the General Realty Company and of certain closed banks which the applicant bank is liquidating under appointments from the Commissioner of Finance. The report of examination and other data submitted with the application do not contain any indication that the bank contemplates such purchases and this matter would seem to be more properly one of local supervision than the subject of a condition of membership.

"The papers submitted with the bank's application did not include a copy of the form of capital notes which the bank has sold to the public. It will be appreciated if you will forward such a copy to the Board in order that its records may be complete."

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

"Reference is made to your letter of April 14, 1937, transmitting the request of the 'Minden Bank & Trust Company', Minden, Louisiana, for permission in accordance with the provisions of membership condition numbered 8 to purchase for the consideration of \$12,000 the banking house which it now occupies.

"In accordance with your recommendation the Board interposes no objection to such investment in the amount indicated, and it is requested that you advise the bank accordingly. It is suggested that you acquaint the bank with the Board's views, with which you are familiar, with respect

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"to making adequate provision for depreciation in banking quarters owned."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. S. ...  
Chairman.