

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, June 17, 1937, at 11:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
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:

Telegrams to Mr. Austin, Chairman of the Federal Reserve Bank of Philadelphia, Mr. Yaeger, Vice President of the Federal Reserve Bank of Minneapolis, 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.

Memorandum dated June 15, 1937, from Mr. Leonard, Assistant Chief of the Division of Examinations, referring to the action taken by the Board on March 25, 1937, in authorizing the necessary leave with pay, in addition to the regular annual leave, and the payment of transportation expenses of four employees of the Board in connection with their attendance at the forthcoming session of the Graduate

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School of Banking at Rutgers University which commences on June 21, with the understanding that, in the event the quota of the Board's employees at the school were increased because of the nonattendance of Federal reserve bank employees, first consideration would be given to Mr. A. W. Lee of the Division of Examinations for his second year at the Graduate School. The memorandum stated that, according to information recently received, only eighteen representatives of the Federal reserve banks will attend the forthcoming session of the Graduate School, and that, therefore, it was recommended that, in addition to the regular annual leave, Mr. Lee be granted the necessary leave with pay to attend the Graduate School of Banking and that he be allowed transportation expenses from his place of duty to Rutgers and return, with the understanding that he will pay his own tuition and subsistence expenses while in attendance at the school.

Approved unanimously.

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

"In accordance with the recommendation of your Board of Directors, as set forth in your letter of June 11, and for the reasons stated therein, the Board approves, effective July 1, 1937, a salary at the rate of \$10,000 per annum for Mr. Valentine Willis, Assistant Vice President of your bank."

Approved unanimously.

Telegram to Mr. J. F. Porter, President, Tennessee Farm Bureau Federation, Columbia, Tennessee, reading as follows:

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"Board of Governors accepts, effective today, resignation tendered in your telegram of this date as director of Nashville branch for unexpired portion of term ending December 31, 1939."

Approved unanimously.

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

"Receipt is acknowledged of your letter of June 12, 1937, and its inclosures, requesting approval of the action taken by your board of directors on June 10, 1937, in voting, subject to the approval of the Board of Governors of the Federal Reserve System, to authorize the officers of your bank to open and maintain an account on your books in the name of the State Bank of the Union of Soviet Socialist Republics and to carry out operations in this market for that bank along substantially the same general lines and subject to substantially the same terms and conditions as for other central banks having accounts with you.

"The Board approves the action of your board of directors, with the understanding that this account will be governed by the terms and conditions contained in the specimen copy of agreement transmitted to the State Bank of the Union of Soviet Socialist Republics with your letter of April 29, 1937, until such time as a standard form of agreement, a draft of which was submitted to the Board with your letter of May 25, 1937, has been approved by the Board of Governors, at which time you will send to the State Bank of the Union of Soviet Socialist Republics a definitive set of terms and conditions.

"The Board also approves participation in the account by the other Federal reserve banks, and they are being advised accordingly by letter today."

Approved unanimously.

Letter to Mr. Young, Deputy Chairman of the Federal Reserve Bank of New York, reading as follows:

"The Board acknowledges, with thanks, your letter of June 10, 1937, advising that your Board of Directors

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"has adopted a recommendation, proposed by the General Auditor and approved by the Auditing Committee of the Directors, that the annual balance sheet audit of the bank be discontinued and in place thereof certain other audits be made."

Approved unanimously.

Letter to the George A. Fuller Company, Washington, D. C.,

reading as follows:

"Reference is made to the proposal contained in your letters of June 9 and June 15 for sodding certain designated areas around the Board's building in lieu of seeding as specified in your contract with Towson Nurseries, Inc. for work covered by Allowance 'J', Landscape Work.

"Please have the work specified in your letters done by Towson Nurseries, Inc. in lieu of seeding. The amount due you under your contract for the construction of the building will be adjusted by the addition of the sum of Two thousand seventy dollars (\$2,070) mentioned in your letters."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. S. Lewis
Chairman.