

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, June 19, 1937, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice 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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on June 18, 1937, were approved unanimously.

Memorandum dated June 16, 1937, from Mr. Paulger, Chief of the Division of Examinations, recommending that Miss Eleanor C. Giovanetti be appointed on a permanent basis as a stenographer in the Division, with salary at the rate of \$1,500 per annum, effective as of July 1, 1937, subject to her passing satisfactorily the usual physical examination, with the understanding that in the event Miss Giovanetti does not pass satisfactorily the physical examination she will be continued on a temporary basis at her present salary of \$1,440 per annum until such time as her position can be conveniently filled by a permanent stenographer.

Approved unanimously.

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

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"Reference is made to your letter of May 4 regarding the Board's letter (X-9879, Reg. T-53) of April 24, 1937. You refer to the statement in the Board's letter that rulings regarding Regulation T that are published in the Federal Reserve Bulletin may be referred to and given public distribution as such, and you suggest that consideration be given to distributing such published rulings in the same manner that the old numbered rulings were distributed.

"All national securities exchanges receive copies of the Federal Reserve Bulletin and thus are informed of rulings published in the Bulletin. However, if the exchanges in your district think it advisable to distribute copies of these rulings to their members or to other brokers or dealers, the Board believes it would be helpful for you to assist the exchanges in such manner as might seem appropriate, for example, by mimeographing the rulings. It is suggested that you communicate with the exchanges and be very largely guided by their views in the matter.

"The Board feels that it would not be advisable to ask the exchanges to print the rulings; and it believes that in general it would not be advisable to go further in the distribution of the rulings than to assist the exchanges as mentioned above, to send the rulings to other persons who express a desire to receive them, and to inclose or quote from the rulings in answering inquiries. If rulings published in the Bulletin are referred to or distributed they should, of course, be referred to or distributed in the form as published rather than in the form in which they may have appeared in a circular letter.

"It is recognized that there might be certain advantages if rulings that will be published in the Bulletin were designated for the benefit of the Federal Reserve banks prior to such publication. However, rulings very often are not published in exactly the same form as that in which they appear in circular letters, and it is felt that in general the purposes of most published interpretations will be served if they are made available upon their publication in the Bulletin. Therefore, the Board prefers to continue the present practice of not designating rulings in advance of their publication in the Bulletin."

Approved unanimously.

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

6/19/37

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"Reference is made to your letter dated April 3, 1937 in which mention is made of affiliate reports as of March 31, 1937 of the Commerce Trust Company, Kansas City, Missouri, and the Citizens State Bank, Pawnee City, Nebraska.

"The accompanying letter from the Commerce Trust Company to which you refer indicates that the bank was not aware that the Punche Valley Farms, Antonito, Colorado, was an affiliate until after the reports of its other affiliates had been published, and that there was no willful intent on the part of the member bank to conceal the affiliation. As no good purpose would be served by having the bank publish the report of the Punche Valley Farms at this time, the Board will not require that it do so. If the affiliation exists at the time of the next call for condition reports, however, the report of the affiliate should, of course, be submitted and published unless waived by the waiver provision printed on Form 220b.

"The accompanying letter from the Citizens State Bank, Pawnee City, Nebraska, to which you also refer, indicates that at the time of the March 31, 1937 call the member bank was not aware that the Pawnee Creamery & Cheese Factory, Inc., Pawnee City, Nebraska, was an affiliate, that the existence of the affiliation was called to its attention on April 14 in the course of an examination then being made, and that the affiliate relationship was terminated on April 15. As no good purpose would be served by having the bank publish the report of the Pawnee Creamery & Cheese Factory, Inc., at this time because the affiliation no longer exists, the Board will not require the bank to do so."

Approved unanimously.

Letter to Mr. O'Connor, Comptroller of the Currency, requesting that he place an order with the Bureau of Engraving and Printing for printing 13,809,200 sheets of Federal reserve notes of the 1934 Series during the fiscal year ending June 30, 1938, in the amounts and denominations and for the various Federal reserve banks as set forth in the letter.

Approved unanimously.

6/19/37

Thereupon the meeting adjourned.

Orsten Morie
Secretary.

Approved:

W. S. ...
Chairman.