

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, August 30, 1937, at 2:30 p. m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. Davis

Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

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

There was presented a telegram received this morning from President McKinney of the Federal Reserve Bank of Dallas stating that the board of directors of the bank, at its meeting today, voted to establish a discount rate of $1\frac{1}{2}$ percent per annum on rediscounts of eligible paper for member banks and advances to member banks under the provisions of Sections 13 and 13a of the Federal Reserve Act and a rate of 2 percent on advances to member banks under the provisions of Section 10(b) of the Federal Reserve Act, effective on and after August 31, 1937.

In a subsequent telephone conversation with Mr. Bethea, President McKinney had advised that the board of directors had established without change the other rates of discount and purchase in the bank's existing schedule.

Mr. Ransom stated that, following receipt of the telegram from President McKinney, he (Mr. Ransom) had called Mr. Broderick on the telephone at Saranac Lake, New York, regarding the action taken by the

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Dallas bank, and that Mr. Broderick had stated that he was familiar with the circumstances surrounding the actions of the Federal reserve banks which had reduced their discount rates and with the reasons stated by the Board on August 20 in connection with its approval of reductions in rates at the Federal Reserve Banks of Atlanta and Chicago and that he wished to be recorded in the minutes of this meeting as approving, for the same reasons, the reduced rates fixed by the board of directors of the Dallas bank. Mr. Ransom also presented a telegram just received from Mr. Broderick stating that he approved the reduced rates fixed by the directors of the Dallas bank.

The discount rate of $1\frac{1}{2}$ percent and the rate of 2 percent on advances under Section 10(b) of the Federal Reserve Act, established by the board of directors of the Federal Reserve Bank of Dallas were approved unanimously, effective August 31, 1937.

The establishment by the bank without change of the other rates of discount and purchase in its existing schedule was also approved unanimously.

The reasons for approval by the Board of the reduced rates were the same as stated by the Board in connection with its approval on August 20, 1937, of rate reductions by the Federal Reserve Banks of Atlanta and Chicago.

Letter dated August 28, 1937, to Mr. Preston, First Vice President of the Federal Reserve Bank of Chicago, stating that the Board approves the changes in the personnel classification plan of the bank, as requested in his letter of August 20, 1937, to provide for increases in the maximum salaries for the positions of Purchasing Agent in the

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Equipment and Supplies Division, Chief of the Protection Division and Payroll Clerk in the Disbursing Department.

Approved unanimously.

Letter dated August 28, 1937, to Mr. Ben Kastein, Cashier, The National Bank of Waupun, Waupun, Wisconsin, reading as follows:

"This refers to your letter of August 18, 1937, relating to your bank's request for a certificate certifying that it is no longer authorized to exercise trust powers.

"The reports of examination to which you refer do not contain sufficient information to satisfy the requirements of section 11(k) of the Federal Reserve Act and section 16 of the Board's Regulation F relating to the issuance of such certificates. As pointed out in the Board's letter of June 10, 1937, Regulation F provides that such information shall be developed by a national bank examiner at the time of the next regular examination of the bank following the receipt of the request for the certificate. This procedure is being followed in the case of your bank.

"While the regulation provides that in exceptional cases the Board may make, or may request the Comptroller of the Currency to make, a special examination to develop the required information, you do not request that a special examination of your bank be made and it is not apparent from the information at hand that there are such exceptional circumstances as would warrant a departure from the usual procedure or would justify your bank in incurring the additional expense of a special examination. In this connection, it is noted that three months have now elapsed since the last regular examination of your bank.

"The Federal Reserve Bank of Chicago has been advised with respect to your bank's desire to surrender its trust powers and it is suggested that any further correspondence concerning the matter be directed to that institution."

Approved unanimously.

Memorandum dated August 27, 1937, from Mr. Foulk, Fiscal Agent, recommending that an amount of \$10.00 be added to the item of printing contained in the budget for that office for 1937 in order that a new

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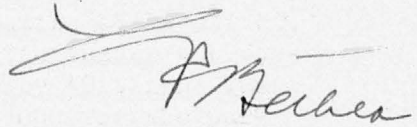
supply of checks may be obtained.

Approved unanimously.

There was submitted a recommendation, which had been approved by the Personnel Committee, that the Board authorize the purchase of one rug, lamps, carbon brushes and lubricating oils, as listed in purchase orders Nos. 1995, 1996, 1997 and 2017, at a total cost of \$444.41.

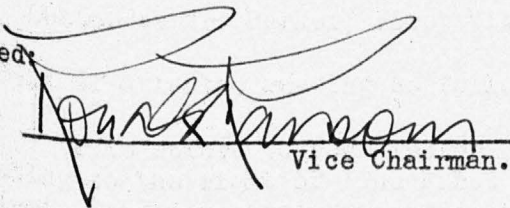
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:


Vice Chairman.