

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, October 13, 1937, at 11:30 a. m.

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

Mr. Morrill, Secretary  
Mr. Bethea, 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 October 8, 1937, were approved unani-  
mously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on October 12, 1937, were approved and the actions recorded therein were ratified unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on October 8, 1937, were approved unanimously.

Telegram to Mr. Young, President of the Federal Reserve Bank of Boston, stating that the Board approves the establishment without change by the bank today of the rates of discount and purchase in its existing schedule.

Approved unanimously.

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Memorandum dated October 6, 1937, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending the appointment on a temporary basis for a period of three months of Mr. Joseph R. Surguy as an assistant printing clerk in the Division, with salary at the rate of \$100 per month, effective as of the date upon which he enters upon the performance of his duties.

Approved unanimously.

Memorandum dated October 4, 1937, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that the salary of Mr. William A. Kline, Assistant Printing Clerk, be increased from \$1,800 to \$2,300 per annum, effective immediately.

Approved unanimously.

Telegram to Mr. Day, President of the Federal Reserve Bank of San Francisco, stating that, subject to the conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the application of "The Bank of Commerce", Oakland, California, for membership in the Federal Reserve System and for the appropriate amount of stock of the Federal Reserve Bank of San Francisco.

Approved unanimously.

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

"Reference is made to your letter of August 20, 1937, and our letter of October 2, 1937, relating to the status, under Regulation T, of the certificates of deposit for the 5% Convertible Collateral Trust Bonds of Alleghany Corpora-

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"tion and the stamped certificates of capital stock of The Chesapeake Corporation involved in a proposed plan to consolidate these two corporations.

"As indicated in our letter of October 2, the views of the Securities and Exchange Commission were requested in connection with the question of whether or not the certificates of deposit and the stamped stock are registered securities. There is attached a self-explanatory letter from Mr. Harold H. Neff, Director of the Commission's Forms and Regulations Division, from which it will be noted that Mr. Neff is of the opinion that the stamped stock and the certificates of deposit here in question are, respectively, not the same securities as the unstamped stock and the bonds for which the certificates were issued, and that neither the stamped stock nor the certificates are registered securities under the Securities Exchange Act of 1934.

"The Board sees no reason to differ with the views expressed by the Director of the Commission's Forms and Regulations Division and also is of the opinion that the stamped stock and the certificates of deposit, respectively, should not be considered to represent, for the purposes of Regulation T, the unstamped stock and the bonds for which the certificates are issued. Accordingly, it is the view of the Board that, in the case of a customer with a restricted account containing the unstamped stock or the bonds in question, the creditor may not, without the deposit of additional margin, permit the stock to be stamped or release the bonds from the account against the receipt of the certificate of deposit."

Approved unanimously.

There was submitted a recommendation, which had been approved by the Personnel Committee, that the Board authorize the purchase of copies of The World Almanac, Bankers' Almanac and Yearbook, Rand McNally Bankers Directory, Dictionary of American Biography (20 volumes), Moody's Analyses of Investments (5 volumes), and The Oxford English Dictionary (13 volumes), for the library in the Board members' section of the new building, as listed in purchase orders numbered



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2272, 2273, 2274, 2275, 2276 and 2311, at a total estimated cost of \$557.62; the purchase of several small items of equipment for use in the cafeteria, as listed in purchase orders numbered 2278, 2286, 2294, 2296, at a total cost of \$24.62; and the incurring of miscellaneous expenses not provided for in the regular budget, as listed in purchase orders numbered 2279, 2280 and 2284, at a total cost of \$11.00.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morley  
Secretary.

Approved:

W. A. ...  
Chairman.