

A meeting of the Board of Governors of the Federal Reserve System with the Presidents of the Federal Reserve Banks was held in Washington on Tuesday, October 19, 1937, at 10:35 a.m.

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

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman
Mr. Thurston, Special Assistant to the
Chairman
Mr. Wyatt, General Counsel
Mr. Paulger, Chief of the Division of
Examinations
Mr. Goldenweiser, Director of the Division
of Research and Statistics
Mr. Smead, Chief of the Division of Bank
Operations
Mr. Parry, Chief of the Division of
Security Loans

Messrs. Young, Harrison, Sinclair, Fleming,
Leach, Newton, Schaller, Martin, Peyton,
Hamilton, McKinney and Day, Presidents of
the Federal Reserve Banks of Boston, New
York, Philadelphia, Cleveland, Richmond,
Atlanta, Chicago, St. Louis, Minneapolis,
Kansas City, Dallas and San Francisco,
respectively

Mr. H. H. Kimball, Acting Secretary of the
Presidents' Conference

Mr. Harrison stated that the Presidents' Conference had been in session all day yesterday and had completed consideration of the topics on the program for the Conference and that the minutes of the session would be sent to the Board as soon as they were prepared.

10/19/37

-2-

In connection with the topic on the Conference program with respect to the desirability of a general review of the leased wire code book, Mr. Harrison stated that the Conference had appointed a committee consisting of operating officers of Federal reserve banks to consider the matter and would appreciate it if the Board would appoint a member of its staff to work with the committee.

Mr. Harrison then referred to the request of the Board that the Conference discuss the desirability of bi-weekly meetings of the boards of directors of the Federal reserve banks on uniform dates and stated that the Conference had appointed a committee of three presidents to confer with the Board regarding the matter. The question of uniform meeting dates was discussed briefly and it was understood that the committee appointed by the Presidents' Conference would submit a written report.

The Conference also had discussed the question of the distribution to member banks by the Board of Governors rather than by the Federal reserve banks of new and revised regulations issued by the Board and Mr. Harrison stated that it was the fairly unanimous opinion of the Presidents that, except in unusual cases, it would be more satisfactory if the Board would resume the previous practice of distributing its regulations through the Federal reserve banks in order that the direct contact between the member banks and the Federal reserve banks in connection with matters relating to the regulations might be maintained.

Mr. Harrison also reported that the Presidents had discussed certain legislative proposals with respect to the Federal Reserve

10/19/37

-3-

System and had appointed a committee to study the general question of legislation and submit to the Presidents' Conference for its information a written report with respect thereto.

Mr. Harrison then stated that the Conference had also considered reports submitted by various committees and had voted, in connection with the report of the Committee on Free Services, that at the present time no charge should be imposed for handling non-cash collections but that this action did not apply to the charge now being made by the Federal Reserve Banks of Boston and New York for handling drafts with securities attached which are not the property of a member bank.

In connection with the status as to eligibility for discount of paper of finance companies under Regulation A, Discounts for and Advances to Member Banks by Federal Reserve Banks, recently issued by the Board of Governors, Mr. Harrison stated that the Conference had approved the substance of a resolution which would be forwarded to the Board in due course and which would state the understanding of the Conference as to the effect of the elimination from subsection 1(a) of the Regulation of the requirement that paper, in order to be eligible for discount under that subsection must be used "in the first instance" for the purpose of producing, purchasing, carrying or marketing goods.

At the suggestion of Chairman Eccles each President reviewed briefly the business situation in his district and there was a general discussion of recent developments.

10/19/37

At the conclusion of the discussion the meeting adjourned.

Peter Morrie
Secretary.

Approved:

W. C. ...
Chairman.