

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, November 22, 1937, at 2:30 p. 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

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 November 8, 1937, were approved unanimously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on November 10, 11, 12, 15, 16, 17, 18, and 19, 1937, were approved and the actions recorded therein were ratified unanimously.

Telegram to Mr. Powell, Secretary of the Federal Reserve Bank of Minneapolis, 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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There was submitted a recommendation from Messrs. Spurney and Koppang that Mrs. Grace K. Seebold, who had been selected in accordance with the authority granted by the Board on July 12, 1937, and who had passed a satisfactory physical examination, be appointed as a charwoman in the Board's new building, with salary at the rate of 50¢ per hour, effective as of November 22, 1937.

Approved unanimously.

Letter dated November 20, 1937, to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"Reference is made to your letter of November 13, 1937, submitting the request of the 'Union Trust Company of Maryland', Baltimore, Maryland, for waiver of conditions of membership numbered 23, 24 and 27, in connection with the proposed dissolution of the City Certificates Corporation.

"In view of the evidence submitted with respect to compliance with the conditions set forth in the Board's letter of July 30, 1937, and your recommendation, the Board waives the requirement as to consent to the contemplated transfer of stock contained in condition of membership numbered 27 and requests that you advise the member bank of the Board's action.

"In view of the transfer of the non-statutory duties of the Federal Reserve Agent to the bank, compliance with conditions of membership numbered 23 and 24 may be effected upon the consent and approval of the President or First Vice President of the Federal Reserve Bank of Richmond in lieu of the consent and approval of the Federal Reserve Agent, as stipulated in such conditions."

Approved unanimously.

In connection with the above letter, Mr. McKee had attached a memorandum to the file stating that his approval was given only because of the fact that on July 29, 1937, the Board, by a majority vote, decided to

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request the Federal Reserve Bank of Richmond to advise the Union Trust Company of Maryland that it would give consideration to the waiver of condition number 27 upon compliance by the trust company with certain specified conditions which had since been met.

Letter to Mr. J. J. Bellman, Brooklyn, New York, reading as follows:

"The Securities and Exchange Commission has referred to the Board your letter of November 8, 1937 concerning the recent action of the Board stipulating the amount of margin to be required on short sales for certain purposes in connection with Regulation T, issued pursuant to the Securities Exchange Act of 1934.

"This amendment to Regulation T, which was effective November 1, did not require the broker to obtain any additional deposit of cash or securities in cases of short sales which were outstanding prior to November 1 even if the account did not contain the amount of margin which would be prescribed initially for new short sales made after that date.

"There is nothing in the regulation, however, to prevent a broker from asking a customer to provide additional margin in connection with any transaction if he wishes to do so."

Approved unanimously.

There was submitted a recommendation, which had been approved by the Personnel Committee, that the Board authorize the purchase of an electric clock, storage cabinet, mail table, telephone cabinet, and miscellaneous equipment for use in the cafeteria, as listed in purchase orders numbered 2421, 2445, 2472, 2476, 2512, 2513, 2515 and 2517, at a total cost of \$233.71.

Approved unanimously.

There was submitted a recommendation, which had been approved

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by the Personnel Committee, that the Board authorize the acceptance of a bid by the Western Venetian Blind Company covering the furnishing and installation of six venetian blinds in the cafeteria, at a cost of \$93.90.

Approved unanimously.

Thereupon the meeting adjourned.

Chesley Morrie
Secretary.

Approved:

W. C. ...
Chairman.