

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, December 16, 1937, at 11:30 a. m.

PRESENT: 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 December 15, 1937, were approved unanimously.

Memorandum dated December 9, 1937, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, for the reason stated in the memorandum, that Miss Nora V. Elder, Chief Draftsman in the Division, be granted a further leave of absence with pay on account of illness for the period from December 20 to December 31, 1937, inclusive.

Approved unanimously.

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

"In accordance with the recommendation contained in your letter of December 9, the Board today approved the

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"appointment of Harry J. Meyer as an examiner for the Federal Reserve Bank of New York. Please advise us of the effective date."

Approved unanimously.

Letter to Mr. Martin, President of the Federal Reserve Bank of St. Louis, reading as follows:

"In connection with the Board's letter of November 19, 1937, regarding the inquiry which the Securities and Exchange Commission forwarded to the Board from Mr. Carl M. Dubinsky, of Dubinsky & Duggan, St. Louis, Missouri, relating to Regulation T, the Board has received from the Commission a letter inclosing a copy of another letter from Mr. Dubinsky. Copies of the letter and inclosure are attached.

"It will be noted that this adds certain facts to those specified in Mr. Dubinsky's earlier letter, and that the office of the General Counsel of the Securities and Exchange Commission would appreciate any information which your bank may have regarding the matter. Accordingly, in order that the Board may comply with the request of the Commission, it will be appreciated if you will forward to the Board any information which your bank may have in this connection. It is not suggested that you make any further inquiry or investigation in this connection, but merely that information regarding any communications on the subject between your bank and Mr. Dubinsky and any other information already available regarding the matter be forwarded so that it may be placed at the disposal of the Securities and Exchange Commission."

Approved unanimously.

Memorandum dated December 7, 1937, from Mr. Sneed, Chief of the Division of Bank Operations, referring to the action taken by the Federal Open Market Committee at its meeting on November 29-December 1, 1937, with respect to the holding by Federal reserve banks of securities acquired in settlement of claims against closed banks, and recommending, for the reason stated in the memorandum, that the Federal Reserve Banks

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of Boston and Richmond, which were holding small amounts of obligations guaranteed by the United States Government so acquired, be advised that beginning with the weekly statement of condition of Federal reserve banks for January 5, 1938, such securities will be shown in the weekly statement following the item "Total United States Government securities" against the caption "Other securities". The memorandum also suggested that, in the event the above recommendation was approved, the two Federal reserve banks be advised promptly by telephone in order that, if they preferred, they might sell the securities in question rather than show them separately in the weekly statement.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morley

Secretary.

Approved:

Donald W. Brown
Vice Chairman.