

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, June 1, 1939, at 11:30 a. m.

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

Mr. Morrill, Secretary
 Mr. Bethea, Assistant Secretary
 Mr. Carpenter, Assistant Secretary
 Mr. Clayton, Assistant to the Chairman

The action stated with respect to each of the matters hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on May 31, 1939, were approved unanimously.

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

"Reference is made to Mr. Dillistin's letter of May 26, 1939, transmitting an application of the 'Pan American Trust Company', New York, New York, for permission to accept drafts and bills of exchange up to an amount not exceeding at any one time, in the aggregate, one hundred per cent of the paid up and unimpaired capital stock and surplus of the trust company.

"Your department has informally advised that an examination of the trust company was started on May 18, 1939. Since the report, when received, will afford current information for consideration of the application, it was informally suggested to Mr. Dillistin that, in the absence of pressing need for the permission requested, action on the application be deferred until the report of the examination was received and Mr. Dillistin indicated his agreement with the suggestion. Accordingly, consideration of the application will be deferred until the report of the current examination is received and it is assumed that such report will be forwarded to the Board of Governors within the near future."

Approved unanimously.

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Letter to the Presidents of all Federal Reserve banks, reading as follows:

"With the Board's letter of April 27, 1939, there was sent to you a draft of a statement for the press which it was contemplated would be released in the event of disturbed conditions in this country resulting from an outbreak of hostilities abroad. Certain changes in the statement have been suggested, and, while the possibility that the statement will be issued appears to be more remote at the present time than when it was originally prepared, the Board has revised the statement so that it might be issued promptly if the occasion therefor should arise. A confidential copy of the revised draft of the statement is being sent to you with this letter.

"As you were informed in the Board's letter of April 27, 1939, should it become necessary to issue the statement you would be advised by wire."

Approved unanimously.

Letter to Miss Harriet Root, Chief, United States Information Service, National Emergency Council, reading as follows:

"Reference is made to Mr. Shea's telephone conversation with Mr. Horne, of the Board's staff, requesting permission to list the Board's recent publication, The Federal Reserve System Its Purposes and Functions. Permission is gladly extended.

"For your information, a card is attached showing the details that you may require."

Approved unanimously.

Memorandum dated May 29, 1939, from Mr. Noell, Assistant Secretary, recommending that, for the reason stated in the memorandum, the Board offer no objection to the discontinuance of the portion of the Washington-Philadelphia-New York-Boston private telephone line between New York and Boston. The memorandum submitted a letter from the Federal Reserve Bank of Boston requesting such discontinuance and a

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telegram from the Federal Reserve Bank of New York advising that there is no objection from the operating standpoint of the New York bank to the proposed termination of the service. The memorandum also stated that a survey was being made of the use of the private telephone lines for the purpose of determining the feasibility of further possible savings and of determining equitable percentages of participation in the expense thereof by the Federal Reserve Banks of New York and Philadelphia and the Board.

Approved unanimously.

Thereupon the meeting adjourned.

Roberta Morris
Secretary.

Approved:

W. S. [Signature]
Chairman.