A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, June 2, 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 June 1, 1939, were approved unanimously.

Telegrams to Messrs. Kimball and Post, Secretaries of the Federal Reserve Banks of New York and Philadelphia, respectively, Mr. McElhinny, Vice President of the Federal Reserve Bank of Atlanta, and Messrs. Dillard and Hale, Secretaries of the Federal Reserve Banks of Chicago and San Francisco, respectively, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on May 31, by the Federal Reserve Banks of New York, Chicago and San Francisco on June 1, 1939, and by the Federal Reserve Banks of Philadelphia and Atlanta today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated May 31, 1939, from Mr. Noell, Assistant Secretary, to the Personnel Committee, referring to the appointment by the
Board on December 2, 1938, of Douglas P. Weaver as a guard for a probationary period of six months, with salary at the rate of $1,380 per annum, and with the understanding that in the event his services in this position were satisfactory during the probationary period his salary would be increased to $1,500 per annum at the expiration of such period. The memorandum stated that the probationary period will expire at the close of business on June 5, 1939, and recommended that, inasmuch as Mr. Weaver had performed his duties satisfactorily and continued to fit himself ably to discharge the full responsibility of a guard, he be given a permanent appointment with salary at the rate of $1,500 per annum, effective as of June 16, 1939.

Approved unanimously.

Memorandum dated June 1, 1939, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of John Snapp, Library Clerk, to be effective as of the close of business on June 6, 1939, and recommending that the resignation be accepted as of that date.

Approved unanimously.

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

"In accordance with the request contained in Mr. Dillistin's letter of May 26, the Board approves the appointments of John J. Hurley and James A. Mass as assistant examiners for the Federal Reserve Bank of New York."

Approved unanimously.
Letter to the board of directors of "The Citizens State Bank of Clare", Clare, Michigan, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board’s Regulation H and the following special condition, the Board approves the bank’s application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago:

"4. Such bank shall make adequate provision for depreciation in its banking house and furniture and fixtures."

Approved unanimously, together with a letter to Mr. Schaller, President of the Federal Reserve Bank of Chicago, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of 'The Citizens State Bank of Clare', Clare, Michigan, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Commissioner of the Banking Department for the State of Michigan for his information.

"In view of the fact that the examiner has reported that the estimated losses shown in the report of examination for membership were charged off following the examination, the usual condition of membership regarding the elimination of estimated losses has not been prescribed.

"The report of examination for membership lists one savings account which apparently does not conform to the definition of savings deposits as contained in the Board's Regulation Q, and it is assumed that if the bank is admitted to membership such account will be brought into conformity with the Regulation."

Telegram to Mr. Knoke, Vice President of the Federal Reserve Bank of New York, reading as follows:
"Referring your June 1 letter, Board of Governors approves action taken by your board of directors at its meeting on that date in voting to authorize officers of your bank to advise the Banque Centrale de la Republique de Turquie of the willingness of the Federal Reserve Bank of New York to make, at any time and from time to time, a loan or loans to Banque Centrale de la Republique de Turquie, such loan or loans not to exceed in the aggregate at any one time $2,025,000, to have a maturity of not more than three months and to mature not later than December 31, 1939, to bear interest at the discount rate of your bank, to be secured by refined gold bars earmarked in your vaults having a value equivalent to at least 111 3/4% of the aggregate amount under loan at any one time, and otherwise to be made on such terms and conditions as your officers may determine.

"Participation in such loan or loans by other Reserve banks is also approved, and they are being advised by letter accordingly."

Approved unanimously.

Memorandum dated May 29, 1939, from Mr. Sneed, Chief of the Division of Bank Operations, recommending that, for the reason stated in the memorandum, Forms F.R. 105 and 105e, Report of Condition of State Bank Member, F.R. 105a, Instructions for the Preparation of Reports of Condition, and F.R. 105h, Branch Bank Report of Condition, be revised in the manner indicated in the memorandum and on the copies of such forms attached to the memorandum. The memorandum stated that none of the proposed changes were of substance, that the changes in the call report form and the instructions had been cleared informally with the Federal Deposit Insurance Corporation, which in turn had cleared them with the Executive Committee of the National Association
of Supervisors of State Banks, and that all of the applicable changes, except one on Form F.R. 105, had also been cleared with the Office of the Comptroller of the Currency.

Approved unanimously.

Thereupon the meeting adjourned.

Approved: [Signature]

Chairman.