

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, June 28, 1939, at 2:30 p.m.

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

Mr. Bethea, Assistant Secretary
Mr. Wyatt, General Counsel
Mr. Paulger, Chief of the Division of Examinations
Mr. Smead, Chief of the Division of Bank Operations
Mr. Wingfield, Assistant General Counsel
Mr. Leonard, Assistant Chief of the Division of Examinations
Mr. Cagle, Assistant Chief of the Division of Examinations
Mr. Thompson, General Assistant in the Office of the Secretary

Attention was called to the executive order issued by the President today excusing all Government employees, not only in Washington, but elsewhere, from work on Monday, July 3, 1939.

Upon motion by Mr. Davis, it was agreed unanimously that the Board's offices should be closed on Monday, July 3, 1939.

Mr. Ransom reported that advice had been received that the Senate had today passed without debate S. 2618, a bill to extend for a period of two years from June 30, 1939, the authority of Federal Reserve banks to pledge direct obligations of the United States as collateral security for Federal Reserve notes. Mr. Ransom reported also that by unanimous vote the Committee on Banking and Currency of the House of Representatives had today favorably reported to the

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House H.R. 6913, the companion measure to S. 2618.

At this point Messrs. Wyatt, Paulger, Smead, Wingfield, Leonard and Cagle left the meeting and the action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on June 26 and 27, 1939, were approved unanimously.

Telegram to Mr. Fleming, President of the Federal Reserve Bank of Cleveland, reading as follows:

"Members of Board of Governors regret sincerely to learn of death of Mr. Alexander Thomson. Please express their sympathy to the members of his family and to his colleagues on board of directors of your Cincinnati Branch."

Approved unanimously.

Telegram to Mr. Parker, President of the Federal Reserve Bank of Atlanta, reading as follows:

"Retel June 27. Board designates you to make determinations of the fair value of the assets of 'The Birmingham Trust and Savings Company', Birmingham, Alabama, in accordance with the procedure outlined in the Board's letters of July 31, 1936 and June 3, 1937 to Mr. Newton."

Approved unanimously.

Letter to the "First National Bank and Trust Company of Manhasset", Manhasset, New York, reading as follows:

"This refers to the resolution adopted on August 4, 1938, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise

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"fiduciary powers heretofore granted to it.

"The Board understands that your bank has been discharged or otherwise properly relieved in accordance with the law of all of its duties as fiduciary. The Board, therefore, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is enclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal Reserve Act except with the permission of the Board of Governors of the Federal Reserve System.

"Since it may be necessary for you to file a certified copy of the Board's certificate with the State authorities in connection with the release of the securities which you have deposited with them, such a copy is enclosed herewith."

Approved unanimously.

Letter to Mr. Young, Federal Reserve Agent at the Federal Reserve Bank of New York, reading as follows:

"In the Board's letter S-165 of June 20, 1939, regarding the destruction of records accumulated by the Federal Reserve Agents, you were advised that the Board intended to request one Federal Reserve Agent to submit a consolidated list, with samples, of the records of the Federal Reserve Agents, except bank examination reports, recommended for destruction in the report, dated June 11, 1936, of the Committee on the Destruction of

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"records maintained by the Federal Reserve banks.

"Since your bank, in response to the Board's letter of December 14, 1938 to Mr. Harrison, submitted a consolidated list of fiscal agency records recommended for destruction and is, therefore, familiar with the procedure followed, it will be appreciated if you will have compiled the above-mentioned consolidated list of Federal Reserve Agents' records recommended for destruction. The list should be compiled on National Archives Form C-2 (supply enclosed) and should be limited to the records recommended for destruction in the Committee's report as shown in Exhibits 1 and 2 attached to the Board's letter S-165. Copies of these exhibits are enclosed for ready reference. The Board will prepare a list on Form C-2 of any additional records included in replies to its letter S-165, which it may be decided to ask for authority to destroy.

"It is requested that the Board be furnished with an original and three copies of the above-mentioned list on Form C-2, together with a sample of each item marked with the appropriate item number. The Board will then forward the original and two copies of this list to the Archivist of the United States.

"Form C-2 should be compiled as indicated in the attached statement entitled 'Instructions for preparing the National Archives Form C-2' insofar as applicable, except that it will not be necessary to insert the number of linear feet occupied by the records. The name of the department or agency should be shown as 'Board of Governors of the Federal Reserve System' and the location of records as 'Local office of Board of Governors at each Federal Reserve bank'. No particular Federal Reserve bank should be mentioned in the heading. The persons in charge should be shown as 'Federal Reserve Agents'. The spaces provided for the name of the Bureau and Division should be left blank.

"It is suggested that the 'Inclusive dates', in the case of the records accumulated by the Federal Reserve Agents in performing nonstatutory duties, cover the period from the date of the organization of the Federal Reserve banks to 1937 as the nonstatutory duties of one Agent were not transferred to the Bank until January 7 of that year. In the case of the records accumulated in connection with Federal Reserve note issues, it is suggested that the 'Inclusive dates' cover the period from the time the forms

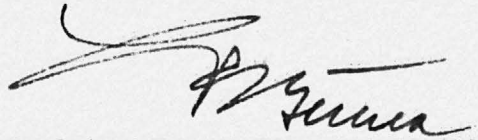
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"were first used by the Agents up to and including the most recent year covered by the minimum retention schedule in the Committee's report."

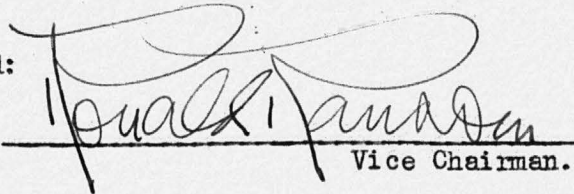
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Vice Chairman.