

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, July 17, 1939, at 12:15 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. McKee

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

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

Telegrams dated July 14, 1939, to Mr. Kimball, Secretary of the Federal Reserve Bank of New York, Mr. Leach, President of the Federal Reserve Bank of Richmond, Mr. McLarin, Vice President of the Federal Reserve Bank of Atlanta, Messrs. Dillard, Stewart and Powell, Secretaries of the Federal Reserve Banks of Chicago, St. Louis and Minneapolis, respectively, and Mr. Gilbert, President of the Federal Reserve Bank of Dallas, stating that the Board approves the establishment without change by the Federal Reserve Banks of New York, Richmond, Chicago, St. Louis, Minneapolis and Dallas on July 13, and by the Federal Reserve Bank of Atlanta on July 14, 1939, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated July 15, 1939, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of William A. Salant as an economic assistant in the Division, and recommending that the resignation be accepted effective

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at the end of the annual leave to which Mr. Salant is entitled.

The resignation was accepted to become effective at the close of business on August 29, 1939.

Letter to Mr. John Edgar Hoover, Director, Federal Bureau of Investigation, Washington, D. C., reading as follows:

"Reference is made to your letter of May 25, 1939, with respect to the alleged use of \$4,000,000 in reserves for purposes other than the payment of dividends by the Manufacturers and Traders Trust Company, Buffalo, New York, and to the informal conference between Mr. Pennington, of your Bureau, and Mr. Cherry, of the Board's staff, at which time Mr. Pennington examined the reports submitted to the Board by the Federal Reserve Bank of New York regarding this matter.

"Pursuant to the understanding reached at the conference, there are enclosed a copy of a letter dated June 19, 1939, from Vice President Gidney of the Federal Reserve Bank of New York addressed to the Board, a copy of a letter dated June 21, 1939, from Managing Director O'Hara of the Buffalo Branch of the Federal Reserve Bank of New York addressed to Mr. R. M. Gidney, Vice President of the Federal Reserve Bank of New York, and a copy of the annual report of the Manufacturers and Traders Trust Company for the year ending December 31, 1938."

Approved unanimously.

Thereupon the meeting adjourned.

Hester Morris
Secretary.

Approved:

W. E. Salant
Chairman.