

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, August 4, 1939, at 11:30 a. m.

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

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

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

Telegrams to Mr. Young, President of the Federal Reserve Bank of Boston, Messrs. Kimball, Post, Hays, Dillard and Stewart, Secretaries of the Federal Reserve Banks of New York, Philadelphia, Cleveland, Chicago and St. Louis, respectively, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City and Mr. West, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on August 1, by the Federal Reserve Banks of New York, Cleveland, Chicago, Kansas City and San Francisco on August 3, 1939, and by the Federal Reserve Banks of Boston, Philadelphia and St. Louis today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to Honorable Sumner Welles, Under Secretary of State, reading as follows:

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"Your letter of July 28, 1939, referring further to the service of Mr. Martin Krost of the Board's staff as a member of the Advisory Economic Mission now in Venezuela, has been received and, in accordance with your suggestion, the action of the Board as set forth in its letter of July 22, 1939, is restated herein as authorizing the payment of Mr. Krost's travel expenses to and from Venezuela and the payment to him of a monthly allowance at the rate of \$240 per month (\$8 per diem) for quarters and subsistence during the period of his detail plus additional compensation at the rate of \$150 per month for living expenses over and above those payable with the monthly allowance and for representation expenses incident to his detail, all of these allowances to be paid for that part of Mr. Krost's detail when he is actually in Venezuela.

"As stated in the Board's letter of July 22, the payment of Mr. Krost's travel expenses and the allowances referred to above was approved by the Board with the understanding that, following a return of the Mission to the United States, a complete accounting of the actual travel expenses incurred by the officers detailed, together with an accounting of the amounts of compensation and allowances to the members of the Mission, will be submitted to the Venezuelan Government, following which that Government will reimburse for the travel expenses, allowances, and amounts of compensation, exclusive of regular salary, involved in Mr. Krost's detail."

Approved unanimously.

Letter to Mr. C. B. Upham, Deputy Comptroller of the Currency,
reading as follows:

"The Board has adopted a condensed form of State bank member call report (form F.R. 105) for use on spring and autumn calls with the understanding that a similar form will be adopted by the Comptroller of the Currency for the use of national banks. A proof copy of the condensed form is attached. It is understood that the reverse side of the corresponding condensed form which your office expects to use in obtaining national bank reports is substantially the same as the reverse side of the Board's condensed form except that you will include schedules corresponding to AA and BB on the regular form,

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"which call respectively for the amounts of officers' and directors' liabilities, etc., and for loans and balances exceeding legal limits.

"In view of the arrangements which have been perfected in many States for the single, joint publication of condition reports rendered by State bank members to Federal Reserve banks and to State banking departments, respectively, we plan to advise the Federal Reserve banks and the Secretary of the Executive Committee of the National Association of State Bank Supervisors of the adoption of the condensed State member bank call report form. We should like to include in our letter to the Federal Reserve banks a statement, for their own information, to the effect that your office expects to use a similar form in obtaining reports on spring and autumn call dates. Accordingly, there is enclosed a copy of our proposed letter to the Federal Reserve banks and we shall appreciate it if you will initial the third paragraph of the letter if you see no objection thereto."

Approved unanimously, together with the letter to the Presidents of all Federal Reserve banks referred to therein, with the understanding that the letter to the Federal Reserve banks would not be sent until advice from Mr. Upham of his approval of the third paragraph thereof.

Telegram to Mr. Worthington, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"Retel today stating you believe that your time schedules should definitely state that items in mixed letters 'will be deferred' in manner now stated therein, Board has no further comments to make with respect thereto."

Approved unanimously.

Telegram to Mr. Day, President of the Federal Reserve Bank of San Francisco, reading as follows:

"Referring your wire of August 3 in reply to Board's wire of August 1 and to Governor Szymczak's talk with you

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"over telephone, since it is your sincere belief that time schedule as submitted by your bank represents a universal preference of member banks in your district and since you will promptly ask Board to approve changes in schedule in case any inequities come to light, Board approves Inter-district Time Schedule for your bank with understanding that Board expects to review experience under time schedules and in that connection requests that you submit report to it in October in which you will call attention to any criticisms of the time schedule that come to your attention and with further understanding that Board may in the light of such review revoke the approval now given."

Approved unanimously.

Thereupon the meeting adjourned.

Chesley Morrill
Secretary.

Approved:

W. C. Coates
Chairman.