A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, August 28, 1939, at 3:55 p.m.

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

          Mr. Morrill, Secretary
          Mr. Cleaton, Assistant to the Chairman
          Mr. Thurston, Special Assistant to the Chairman
          Mr. Wyatt, General Counsel

Mr. Wyatt said that Judge Townsend, Acting Assistant Solicitor General at the Department of Justice, had called on the telephone this afternoon and said that the President had asked the Attorney General for a list of things that each Government department or agency could do in the event of war to protect our neutrality and the public interest. Mr. Townsend wondered, Mr. Wyatt said, whether the Board could give him a statement covering the things that the Board of Governors could do. Mr. Wyatt stated that he asked Mr. Townsend whether he wanted everything that could be done under any imaginable circumstances, and that Mr. Townsend replied that he understood that some conferences had been held, that the Board already had a plan worked out, and that he would like very much to have a copy of it as soon as possible.

Mr. Wyatt stated further that he inquired whether the Attorney General was sending out letters asking for this information, to which Mr. Townsend replied that there was not time enough for that and that
the information should be sent directly to the Attorney General, and that thereupon he (Mr. Wyatt) advised Mr. Townsend that it would be necessary to submit his request to the Board and that he would be advised when that had been done. Mr. Townsend asked, Mr. Wyatt said, that his secretary be called on the telephone when the matter had been taken up with the Board.

A discussion ensued during which it appeared that those present were not aware of any memorandum of the kind requested by Mr. Townsend. Reference was made to the various conferences in the past in which Mr. Goldenweiser, Director of the Division of Research and Statistics of the Board of Governors, participated and Mr. Ransom called Mr. Thomas, Assistant Director of the Division of Research and Statistics, on the telephone who stated that he knew of no memorandum of this character, and that he had a file which contained various notes on the general subject but nothing in the nature of a formal or comprehensive memorandum.

It was agreed that Mr. Wyatt should be asked to draft, in collaboration with Messrs. Thomas and Morrill, a memorandum with respect to the contents of which Messrs. Thurston, Parry and Hammond might be consulted, and that the memorandum should be submitted to the Board for consideration tomorrow morning.

References were made during the course of the discussion to various points which might be covered in the memorandum, such as the powers which the Federal Open Market Committee had granted to its executive committee and in turn the powers which the executive
committee had granted to the Federal Reserve Bank of New York, the power of the
Board to regulate margin requirements under Regulations T and U, the power to change
the discount rates at Federal Reserve banks, and the statement which had been prepared
with respect to loans by the Federal Reserve banks to nonmember banks on Government ob-
ligations at par. While these specific mat-
ters were mentioned it was understood that
the draft of memorandum would cover all of
the powers that it was thought desirable to
mention in a brief memorandum.

Thereupon the meeting adjourned.

[Signature]
Secretary.

[Signature]
Vice Chairman.