

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, June 18, 1936, at 11:00 a. m.

PRESENT: Mr. Eccles, Chairman  
Mr. McKee

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

Consideration was given to each of the matters hereinafter referred to and the action stated with respect thereto was taken by the Board:

Memorandum dated June 17, 1936, from Mr. Morrill referring to the appointment on April 14, 1936, of Mr. S. H. Bass as voucher clerk, with salary at the rate of \$1,800 per annum, with the understanding that this salary would be treated as operative during a period of probation of two or three months; at the end of which time, if Mr. Bass measured up to the responsibilities of the position in a satisfactory manner, an adjustment of his salary to a larger amount would be recommended. The memorandum stated that Mr. Bass had displayed unusual ability in handling the duties assigned to him and his work had indicated he has the capacity to take on larger responsibilities when necessary, and that, therefore, it was recommended that his salary be increased to \$2,400 per annum, effective immediately.

Approved unanimously.

Letter to Dr. A. D. Daughton, Washington, D. C., reading as follows:

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"Because of vacation and other absences of Dr. E. O. Barr, Examining Physician for the Board of Governors of the Federal Reserve System, it has been found desirable to engage an alternate examining physician to make physical examinations for the Board in the absence or disability of Dr. Barr. Dr. Barr has recommended that the Board engage you as Alternate Examining Physician and it is understood from your conversation with Mr. Carpenter, Assistant Secretary of the Board, on June 17, 1936, that you are willing to serve in that capacity. Accordingly, the Board of Governors of the Federal Reserve System authorizes you to make such physical examinations of prospective and other employees of the Board as may be necessary during the absence or disability of Dr. Barr. In each instance the person who is to be examined will be given a letter of introduction to you similar to the copy of letter attached and will be directed to report to you at such time as you may fix for the examination.

"It is contemplated that you will make each examination in the manner required to determine whether the person examined would be eligible for ordinary life insurance at the normal rate, and it is understood that you will make a detailed record of the examination on a form of record of medical examination, a supply of which has been furnished to Dr. Barr. After the examination has been completed, and if the results are favorable, you will address a letter to the Board in the form attached hereto stating that on the basis of such examination you approve the person examined for employment by the Board. If the results of the examination are unfavorable you will address a letter to the Board of Governors of the Federal Reserve System stating the reasons for the unfavorable report, which, if any, of the unsatisfactory conditions can be corrected, and the steps necessary to effect such correction.

"It is understood that you will arrange with Dr. Barr to make all examinations requested by the Board in Dr. Barr's office and that the record of each examination will be maintained in that office. A copy of each letter addressed to you requesting that you make an examination will be sent to Dr. Barr and it is expected that he will see that the original records of all examinations made by you are kept on file in his office.

"It is also understood that if at any time the Board desires a detailed report of the results of an examination made by you, you will furnish such report promptly and for that purpose Dr. Barr will make the record of the examination available to you.

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"Your fee for each examination and report to the Board of Governors of the Federal Reserve System, including, if requested, a detailed report with regard to the examination, will be \$5.00, payable upon submission of proper voucher.

"In order that its records may be complete, it will be appreciated if you will address a letter to the Board in the form attached hereto accepting the arrangement set forth above.

"A copy of this letter is being sent to Dr. Barr."

Approved unanimously.

Letter to Mr. Gibbs Lyons, Deputy Comptroller of the Currency,

reading as follows:

"Please accept our thanks for your letter of June 4, 1936, in response to our letter of May 6, advising that your office plans to furnish to national banks and examiners copies of rulings made concerning your regulations governing the purchase of investment securities pursuant to section 5136 of the Revised Statutes, and that you will be glad to furnish the Board with a sufficient number of copies for distribution among State member banks. It is noted that no objection will be made to the publication thereof in the Federal Reserve Bulletin.

"As mentioned in our letter of May 6, it will be appreciated if the copies of the rulings for distribution to State member banks can be furnished to the Board a day or two in advance of their transmission to national banks in order that in so far as practicable they may be received by the State member banks at the same time as they are received by national banks.

"In your letter you inquire whether there is objection to the preparation of a summary of the mimeographed rulings made by the Board from time to time for circularization by your office to national banks and examiners. These mimeographed interpretations are furnished to Federal reserve banks with the understanding that while the information therein may be utilized to the extent that may be appropriate in answering inquiries or otherwise in connection with the duties of the Federal reserve bank, such communications are not unless otherwise indicated to be used for distribution or made available to persons outside of the Federal reserve bank; and the interpretations are furnished to your office with a similar understanding. The Board recently considered a

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"request of a Federal reserve bank for permission to make a digest of the mimeographed interpretations for the purposes of distribution and stated that it was of the view that such a digest should not be distributed because the preparation of a digest of a ruling necessarily involves some interpretation thereof and the issuance of digests by the twelve Federal reserve banks would be very likely to cause a lack of uniformity in the interpretation of the Board's rulings. It is the view of the Board, therefore, that it would not be desirable to distribute summaries or digests either to the banks or to the national bank examiners. However, the Board offers no objection to the furnishing to national bank examiners of copies of the mimeographed interpretations received from the Board, unless otherwise indicated in particular cases, with the understanding that your examiners will use such communications only for the purpose of answering inquiries and in connection with their official duties as examiners, and will make no distribution of such interpretations to banks or others.

"As you know, the Board publishes in the Federal Reserve Bulletin those of its rulings which it considers to be of general interest and there is, of course, no objection to the general distribution of copies of such published rulings.

"It is hoped that this will serve the purposes which you have in mind."

Approved unanimously.

Letter to Mr. O'Connor, Comptroller of the Currency, requesting that he place an order with the Bureau of Engraving and Printing for printing 11,659,350 sheets of Federal reserve notes of the 1934 Series during the fiscal year ending June 30, 1937, in the amounts and denominations and for the various Federal reserve banks as set forth in the letter.

Approved unanimously.

Memorandum dated June 16, 1936, from Mr. Parry, Chief of the Division of Security Loans, recommending that a copy of the Federal Reserve Bulletin be sent each month free of charge to the 17 national

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securities exchanges and to the "Associated Stock Exchanges", in which organization these exchanges are associated, which are not now on the list of subscribers to the Bulletin.

Approved unanimously.

Thereupon the meeting adjourned.

Charles Morice  
Secretary.

Approved:

W. C. ...  
Chairman.