

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, January 14, 1937, at 11:30 a.m.

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

Mr. Morrill, Secretary
Mr. Bethea, 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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on January 12, 1937, were approved unanimously.

Telegram to Mr. Leach, President of the Federal Reserve Bank of Richmond, stating that the Board approves the establishment without change by the bank today of the rates of discount and purchase in its existing schedule.

Approved unanimously.

Letter to Mr. Austin, Federal Reserve Agent at the Federal Reserve Bank of Philadelphia, reading as follows:

"Reference is made to the telegram addressed to you under date of December 31, 1936, advising of approval by the Board of the reappointment of Mr. A. E. Post as Assistant Federal Reserve Agent and of the appointment of Mr. J. Frank Rehfuss as Alternate Assistant Federal Reserve Agent at your bank, and stating that you would be advised later with respect to the appointment of Mr. Zell G. Fenner and Miss Margaret J. Reid as Acting Assistant Federal Reserve Agents.

"The Board has taken the position in connection with appointments at other Federal reserve banks of persons to act for the Assistant Federal Reserve Agent in his absence or disability,

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"that a more appropriate designation for such appointees would be Alternate Assistant Federal Reserve Agent rather than Acting Assistant Federal Reserve Agent. The Board suggests, therefore, that if it is your desire to continue the authority of Mr. Fenner to act in the absence or disability of the Assistant Federal Reserve Agent, he be appointed as an Alternate Assistant Federal Reserve Agent. Should such action be taken by you, it would be necessary for Mr. Fenner to execute a new oath of office and surety bond in the amount of \$50,000 as Alternate Assistant Federal Reserve Agent and he should not enter upon his duties until the bond has been examined by your counsel to determine whether its execution complies fully with the rules printed on the reverse side of form of bond 182, following which the bond should be forwarded to the Board for approval.

"Careful consideration has been given to your request for approval of the appointment of Miss Margaret J. Reid as Acting Assistant Federal Reserve Agent with the understanding that she would assist in keeping the records of Federal reserve notes received, issued and returned, etc. It is felt, however, that Miss Reid could perform this work without having authority to act for the Assistant Federal Reserve Agent in the actual receipt and issuance of Federal reserve notes and that it would be undesirable to confer such authority on an individual who was without experience in handling Federal reserve notes. Accordingly, it is suggested that, if thought desirable by you, the arrangement referred to in your letter be effected without authorizing Miss Reid to act in the absence or disability of the Assistant Federal Reserve Agent. With respect to your recommendation that Miss Reid's salary be increased to \$2,256 per annum it is assumed that she holds the position designated in the personnel classification plan of your bank as 'Secretary, Federal Reserve Agent's Department' for which the Board approved on December 24 a maximum salary of \$2,400 per annum. If this is the case it is not necessary, of course, to obtain the Board's specific approval of the proposed increase in salary to \$2,256 per annum.

"In connection with the continuance of the authority of Messrs. Post, Rehfuess and Fenner (if he be appointed) to act in the receipt and delivery of Federal Reserve notes, it is understood that they will be continued on the roll of the Federal Reserve Agent and be solely responsible to you, and that when not serving in this capacity they may with the approval of the Federal Reserve Agent and the President perform such work for the bank as in your opinion is not inconsistent with their duties as Assistant Federal Reserve Agent or Alternate Assistant Federal Reserve Agents."

Approved unanimously.

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Letter to Mr. Clark, Secretary of the Federal Reserve Bank of Atlanta, reading as follows:

"Reference is made to your letter of December 31, 1936, advising that the retirement of Mr. J. W. Honour, Assistant Auditor, who is 61 years of age, will be effective December 31, 1936, and that the Executive Committee has voted, subject to the approval of the Board of Governors, to pay Mr. Honour following his separation from the service of the Federal Reserve bank the amount of \$1,125, which is equivalent to three months' salary.

"In view of the circumstances as set forth in your letters of June 18 and December 31, the Board will interpose no objection to the payment of three months' salary to Mr. Honour."

Approved unanimously.

Letter to Mr. Sproul, First Vice President of the Federal Reserve Bank of New York, reading as follows:

"This will acknowledge receipt of your letter of January 4, 1937, referring further to the agreements now in effect covering correspondent relationships between your bank and various foreign central banks.

"The Board has noted the fact that you are now engaged in a review of the agreements covering the correspondent relationships of your bank with foreign central banks and that, shortly, you will wish to take up with the Board possible revisions in their form. At that time, the Board will be glad to go into the matter of possible revisions in the form of these agreements.

"The Board has also noted that, when writing to the smaller foreign central banks concerning the agreements, you plan to call attention to the existing relationships between the Federal Reserve banks and the Board."

Approved unanimously.

Memorandum dated January 11, 1937, from Mr. Kramer, Superintendent of Construction of the Board's new building, referring to the question of the installation of a terrace on the roof of the new building adjacent to the cafeteria, and stating that it is his belief as well as the belief of

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the contractor, that with certain revisions the work can be done at a cost between \$3,500 and \$4,000.

The necessary revision of the plans and specifications and the addition to the work to be covered by the contract with the George A. Fuller Company of provision for the change in the treatment of the roof adjacent to the cafeteria, which would include an exit from the cafeteria to the terrace, at an estimated cost of between \$3,500 and \$4,000, was approved unanimously.

Thereupon the meeting adjourned.

Chester Morrill
Secretary.

Approved:

W. S. ...
Chairman.