

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, April 24, 1937, at 11:45 a. m.

PRESENT: Mr. Eccles, Chairman  
Mr. Broderick  
Mr. McKee  
Mr. Davis

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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on April 23, 1937, were approved unanimously.

Telegram to Mr. Kimball, Secretary of the Federal Reserve Bank of New York, stating that the Board approves the establishment without change by the bank on April 22, 1937, of the rates of discount and purchase in its existing schedule.

Approved unanimously.

Letter to Mr. Sinclair, President of the Federal Reserve Bank of Philadelphia, reading as follows:

"Reference is made to your letter of April 9, in regard to the proposed retention in service of Mr. Samuel R. Earl, Assistant Cashier, for a period of one year from April 21, 1937, on which date Mr. Earl will have attained the age of 66 years.

"Before writing its letter, X-9798, of January 21, 1937, with respect to the retention in service by the Federal Reserve banks of officers and employees after they have attained age 65, the Board carefully considered the objectives of a retirement system and came to the conclusion that in the absence of outstanding reasons it would be in the interest

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"of the System as a whole to retire officers and employees upon the attainment of age 65. Continued physical and mental ability, or ordinarily the individual's financial situation, does not in the Board's opinion constitute exceptional circumstances that would warrant a departure from the policy set forth in its letter of January 21, 1937.

"After reviewing this situation in the light of the statements made in your letter, it does not appear that there are any unusual circumstances which would justify the Board in making an exception in the case of Mr. Earl by approving his salary beyond the end of the calendar year 1937."

Approved unanimously.

Letter to Mr. Newton, President of the Federal Reserve Bank of Atlanta, reading as follows:

"Reference is made to Mr. McLarin's letter of February 23 requesting the Board's approval of the following new position which your Executive Committee recommended be included in the personnel classification plan of the New Orleans branch.

<u>Department</u>	<u>Position</u>	<u>Maximum annual salary</u>
Auditing	Special representative	\$12.00

"According to the Board's records there is at the New Orleans branch a stock of unissued Federal Reserve notes which has been held under the triple control of an officer of the branch, a representative of the Auditing Department stationed at the branch, and the Federal Reserve Agent or Assistant Federal Reserve Agent at the Federal Reserve Bank of Atlanta in accordance with an agreement between the Federal Reserve Agent at Atlanta and the Governor of the Federal Reserve Bank of Atlanta approved by the Board in its letter of October 15, 1930. It is assumed from the description of work shown on the Form A page inclosed with Mr. McLarin's letter that it is now proposed to appoint some person not regularly in the employ of the branch as a representative of the Auditing Department to act in the above mentioned triple control arrangement. It is understood that a similar arrangement is now in effect at your Jacksonville branch.

"At most of the Federal Reserve banks having branches at which a stock of unissued Federal Reserve notes is held there is now in operation a plan under which notes are held

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"in the joint custody of a branch officer and a Federal Reserve Agent's Representative. This Federal Reserve Agent's Representative, who is carried on the Agent's payroll and is solely responsible to him for the proper performance of his duties, must have the same qualifications required by the law for other assistants to the Federal Reserve Agent and must give like bond. In the absence of a Federal Reserve Agent, he is responsible to the Board of Governors but as a practical matter is expected to cooperate with, and work subject to the direction of, the Assistant Federal Reserve Agent at the head office. When not engaged in his duties of issuing and retiring Federal Reserve notes, the Federal Reserve Agent's Representative may, with the approval of the Federal Reserve Agent and the President or the Manager of the branch, perform such work for the branch as, in the opinion of the Federal Reserve Agent, is not inconsistent with his duties as Federal Reserve Agent's Representative.

"In view of the fact that under this plan there is eliminated the necessity of appointing as a representative of the Auditing Department a person not regularly in the employ of the branch and since the plan has proved practicable at a number of the Federal Reserve branch banks, it will be appreciated if consideration is given to the advisability of appointing a Federal Reserve Agent's Representative at the New Orleans and Jacksonville branches in lieu of the plans now in effect or the plan now proposed for the New Orleans branch.

"There is attached for your information a Form A page showing a standard description of work which the Board has recently approved for the position of 'Federal Reserve Agent's Representative' at a branch."

Approved unanimously.

Letter to Mr. Alfred T. Sihler, Assistant Vice President of the Federal Reserve Bank of Chicago, reading as follows:

"Reference is made to your letter of February 27, 1937, with respect to the distribution of X letters regarding Regulation T. In this connection you point out that the Board's Trans. No. 2102 of October 2, 1934 (X-8038) requested Federal Reserve Agents to see that certain rulings regarding Regulation T 'are furnished promptly to appropriate officials of each securities exchange in his district', while the Board's letter (X-9673) of August 18, 1936 indicates that X letters should not be distributed as received but that the substance may be used in answering inquiries.

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"As you know, 48 rulings numbered consecutively from 1 through 48 were issued for public distribution as numbered rulings interpreting Regulation T, and all such numbered rulings were published in the Federal Reserve Bulletin. However, subsequent interpretations of Regulation T have not been in the form of such numbered rulings, but have been in the usual form of X letters similar to those relating to other matters. These subsequent X letters regarding Regulation T contain identifying serial numbers in accordance with X-9673; but, while these numbers were continued from the number 48, this was done merely as a matter of convenience and was not intended as a continuation of the numbered rulings interpreting Regulation T. Only one of these subsequent X letters has been published in the Bulletin.

"It was intended that only the 48 rulings which were designated as numbered rulings interpreting Regulation T should be distributed in accordance with X-8038. Other X letters should be treated in accordance with X-9673, although rulings which are published from time to time in the Federal Reserve Bulletin may, of course, be referred to and given public distribution as such. The Board feels that national securities exchanges should not be treated differently from other persons with respect to the use of X letters in accordance with X-9673."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. C. C. C.  
Chairman.