

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, May 13, 1937, at 11:30 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
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:

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.

Memorandum dated May 10, 1937, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Mrs. Elizabeth P. Tappy as a clerk in the Division, and recommending that the resignation be accepted effective as of May 8, 1937.

Approved unanimously.

Letter to Mr. Sargent, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Reference is made to your letter of May 6, 1937, with respect to the State examiner's classification of an investment of \$12,000 in City of Tacoma Water Revenue bonds as an excess loan in the report of examination of the State Bank of Wilbur, Washington, by the State banking authorities as of March 23, 1937.

5/13/37

-2-

"While the total amount of City of Tacoma Water Revenue bonds held by the bank is in excess of 10 per cent of its capital and surplus, it has been noted that the bonds were acquired in 1930 and that the State Division of Banking, on the basis of a ruling of the Attorney General of the State, has advised the bank that the bonds may be held to maturity. Section 5136, U.S.R.S., to which you also refer, provides that the total amount of the investment securities of any one obligor, held by a member bank for its own account, shall not exceed 10 per centum of the member bank's capital and surplus, but provides further that the limitation shall not require a member bank to dispose of any securities lawfully held by it on the date of enactment of the Banking Act of 1935.

"If, as it appears, the bonds in question were lawfully held by the State Bank of Wilbur on the date of enactment of the Banking Act of 1935, you are correct in your assumption that the bank may continue to carry the securities without contravention of law."

Approved unanimously.

Letter to The General Fireproofing Company, Washington, D. C.,
reading as follows:

"It is our understanding, based on informal negotiations which have taken place since you submitted your Proposals A and B under date of April 16, 1937 in response to the invitation for bids of the Board of Governors of the Federal Reserve System for filing equipment and furniture dated April 8, 1937, that you will furnish and place in the building being constructed for the Board the items listed below, at the unit prices listed opposite each item, in strict accordance with the terms and conditions of the invitation for bids referred to above and the specifications attached thereto marked Exhibit 'B', except, of course, those portions of the invitation for bids which are no longer relevant. The time for completion (Section 6 of the invitation for bids) will be fifty (50) calendar days from the date upon which you receive this letter. Each item will be manufactured by the manufacturer named or indicated in the following list opposite the respective item. Items numbered 1 to 19 inclusive are to be finished in gray of exactly the same shade of the sample color which will be furnished to you; and hardware, metal fittings and linoleum which will be used on all of the above items will be the same as the

5/13/37

-3-

"samples which will be selected by the undersigned from samples to be submitted by you.

<u>Item Number</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>
No. 1	Five drawer steel upright letter size file units GF 5505-L	109	58.25
No. 2	Five drawer steel upright letter size file units, each equipped with automatic lock controlling all drawers - these units to be in groups of two, each group to have a different lock GF 5505-LL	14	66.25
No. 3	Five drawer steel upright legal size file units GF 5505-C	66	65.25
No. 4	'U' shaped steel counter, approximately 42" high, outside, consisting of the following items:	1	
	3 drawer drop head type steel upright letter size file units, each equipped with automatic lock controlling all drawers (same key to fit all locks) GF 5303-LL	10	50.00
	Double compartment upright 3 x 5 card file units GF 5309-B-53	6	105.75
	Steel slide-away-door type, double door cupboard, with three plain adjustable shelves and lock GF 5329-DCS	1	67.75
	90 degree steel corner cupboard units with hinged steel door, with three plain adjustable shelves GF 5300-F	2	75.25
	Steel panel type gate with catch and lock bar upright GF 5300-PG	1	33.00
	Continuous linoleum cap type top GF	1	159.25
	Plain type panel back GF	1	163.00
	Metal kick strip for entire front, back and sides of counter 2-1/4" high GF	1	74.00
No. 5	'U' shaped steel counter, approximately 42" high, outside, consisting of the following items:	1	
	3 drawer drop head type steel upright legal file units each equipped with automatic lock controlling all drawers (same key to fit all locks but locks should not be the same as that in drawers in item number 4 above) GF 5303-CL	13	54.25

5/13/37

-4-

<u>"Item Number</u>	<u>Description</u>	<u>Quan- tity</u>	<u>Unit Price</u>
No. 5	Continued		
	Steel slide-away-door type, double door cupboard, with three plain adjustable shelves and lock GF 5329-DCS	1	67.75
	90 degree steel corner cupboard units with hinged steel door, with three plain adjustable shelves GF 5300-F	2	75.25
	Steel panel type gate with catch and lock bar upright GF 5300-PG	1	33.00
	Continuous linoleum cap type top GF	1	162.75
	Plain type panel back GF	1	164.25
	Metal kick strip for entire front, back and sides of counter 2-1/4" high GF	1	75.50
No. 6	Steel 18 drawer sectional 3 x 5 card file unit, 6 drawers across and 3 drawers high GF WS-21753-Ci	1	47.25
	Steel 6 drawer sectional 3 x 5 card file unit, 6 drawers across, one drawer high GF WS-21753-1/2-Ci	1	18.75
	Steel top for above sections GF WS-217-T	1	5.00
	Steel leg base for above sections GF WS-217-HSB	1	13.75
No. 7	Steel bookcase sections, disappearing door type, inside height to be not less than 12" GF WS-1310-BC	15	13.50
	Steel tops for above GF WS-10-BCT	3	5.45
	Steel leg bases for above GF WS-10-BCSB	3	5.95
No. 8	Steel secretarial desks with typewriter compartment in one pedestal and three single drawers in other, 60" x 34" x 30-1/2" Shaw-Walker 6034 of which 6 shall be right pedestal (PRH) and 4 shall be left pedestal (PLH)	10	80.25
No. 9	Steel secretarial desks with typewriter compartment in one pedestal and one single drawer and legal size file drawer in other, 60" x 34" x 30-1/2" Shaw-Walker 6034PLH	2	80.25
No. 10	Steel flat top desks 60" x 34" Shaw-Walker 6034	3	59.25

5/13/37

-5-

<u>"Item Number</u>	<u>Description</u>	<u>Quan- tity</u>	<u>Unit Price</u>
No. 11	Steel tables, 60" x 34" x 30-1/2" with drawer Shaw-Walker 6034T	3	40.00
No. 12	Steel tables, 39" x 27" x 30-1/2" with drawer Shaw-Walker 3927-T	2	32.75
No. 13	Legal size correspondence trays, Remington Rand 7312.51	2	54.50
No. 14	Steel typewriter stands on caster bases with extension shelf on right side 671RS	3	8.55
No. 15	Steel file stools 14" high, seat diameter 14" Yawman & Erbe 5056	8	4.25
No. 16	Steel legal size desk trays Yawman & Erbe 274	30	2.85
No. 17	Filing shelves Shaw-Walker 1111	6	1.65
No. 18	Steel hinged cover card trays for cards 3 x 5, 3-1/2" deep Shaw-Walker 353	4	.55
No. 19	Steel waste baskets Shaw-Walker 6501	15	2.15
No. 20	Cabinets - 8 shelf capacity, for sheets size 14" x 17" Kalamazoo style binders, mahogany grained finish GF 5320-SCS with shelves & linoleum top	3	76.50

"Please confirm the above understanding by letter, and please deliver to the Board a performance bond in accordance with the requirements of Section 5 of the invitation for bids."

Approved unanimously.

Letter to Mr. F. W. Hoover, General Manager, Welfare and Recreational Association, Washington, D. C., reading as follows:

"Referring to your letter of March 23, 1937, we have revised the draft of agreement which you inclosed covering the operation of the cafeterias, dining rooms and snack bar in the Board's new building, and there are inclosed herewith duplicate originals of the form of agreement as thus revised. Although the wording of the agreement has been changed in a number of places in the revised draft, it is believed that you will find that it contains few, if any, changes of substance, except as informally agreed upon between us.

"If the agreement in the revised form is satisfactory to you, it will be appreciated if you will have the duplicate originals of the agreement executed and forward them to the

5/13/37

-6-

"Board. After execution by the Board, one of them will be returned to you for your records."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrey
Secretary.

Approved:

W. C. ...
Chairman.