A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, September 28, 1937, at 10:45 a.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Broderick
Mr. Szymczak
Mr. McKee
Mr. Davis

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman
Mr. Goldenweiser, Director of the Division of Research and Statistics
Mr. Dreibelbis, Assistant General Counsel
Mr. Piser, Senior Economist in the Division of Research and Statistics

Prior to the meeting there had been sent to the members of the Board copies of memoranda prepared under date of September 16, 1937, by Mr. Edmiston, Junior Economist in the Division of Research and Statistics, and Mr. Goldenweiser, with respect to the suggestion that the Treasury change its financing program to include the sale of certificates of indebtedness. Various aspects of short term financing by the Treasury were discussed. It was agreed that it was unnecessary at this time for the Board to express any official opinion, but it was understood that the members of the Board who will participate in conferences with the Treasury as members of the executive committee of the Federal Open Market Committee might express their individual views on the suggestion if the question were raised in such conferences.

Mr. Ransom read the following letter which had been addressed
by Mr. Broderick to Chairman Eccles under date of September 28, 1937:

"Enclosed is a copy of a letter which, on September 30, I will transmit to the President of the United States submitting my resignation as a member of the Board of Governors with the request that it take effect September 30th.

While the letter refers to my need to make more adequate provision for the future than is possible in my present position and to the satisfaction which it has been to me to serve upon the Board of Governors, I wish to add a personal word to record my deep appreciation and gratitude which I owe to my colleagues on the Board and Staff with whom I have had the honor to serve during the past two years. It has been one of the happiest associations of my life and I relinquish my official position with the greatest reluctance and regret.

"The members of the Board know of my complete sympathy with their purposes and major policies during the past two years. They will continue to have the fullest cooperation which it is possible for me to render in private life for the attainment of these objectives in the public interest."

The letter to the President of the United States, referred to in the above letter, read as follows:

"With the greatest regret I am submitting to you hereewith my resignation as a member of the Board of Governors of the Federal Reserve System, with the request that it take effect as of September 30. I am doing so in order that I may accept an opportunity which has been presented to me to return to the field of banking in which, as you know, I have spent most of my life. I have reluctantly concluded that the obligations which I owe to my family would not justify the sacrifices entailed in my continuance in public office to which I devoted nearly all of my time during recent years, first as Superintendent of Banks of the State of New York and then as a member of the Board of Governors of the Federal Reserve System.

"I have had the honor of serving under appointment from you in both of these positions. It has been especially gratifying to me to have had the privilege of returning to the Federal Reserve System and of association with my colleagues of the Board of Governors with whose purposes and major policies I have been happy to find myself in full
"accord over the period of my service as a member of the Board. If it were not for the personal considerations to which I have referred, I should prefer to continue this service and association. The severance of my official connections, however, will in no way abate my interest in or advocacy of the Federal Reserve System and its objectives.

"Permit me to take this occasion to express to you my sincere appreciation of the opportunity which you have afforded me for public service and to renew my earnest wishes for the continued success of your Administration."

Mr. Ransom expressed the regret felt by all the members of the Board at the termination by Mr. Broderick of his membership on the Board and their deep appreciation of the benefit which had been derived by the Board from his connection with it.

Mr. Broderick, after responding to Mr. Ransom's expression of the feeling of the Board, stated that surveys were being conducted at the present time of the legal divisions and the auditing and examination departments of the Federal reserve banks, that these surveys would be completed at all banks before the end of the year, and that he felt that it was desirable that the Board designate promptly another member of the Board to continue the supervision of the surveys. He referred also to the fact that he was a trustee of the Retirement System of the Federal Reserve Banks, and suggested that prompt action be taken to appoint his successor.

At this point Messrs. Goldenweiser, Dreibelbis, and Piser left the meeting and consideration was then 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 September 27, 1937, were approved unanimously.

Telegrams to Mr. Powell, Secretary of the Federal Reserve Bank of Minneapolis, Mr. McKinney, President of the Federal Reserve Bank of Dallas, and Mr. Sargent, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Minneapolis and Dallas banks on September 27, 1937, and by the San Francisco bank today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated September 24, 1937, from Mr. Smead, Chief of the Division of Bank Operations, recommending that the official headquarters of Mr. Joseph H. Porter, Technical Assistant, be changed from Atlanta, Georgia, to Washington, D. C., and that his salary be increased to $4,300 per annum, both effective as of December 1, 1937.

Approved unanimously.

Memorandum dated September 23, 1937, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Mrs. Beulah S. Baum, who has been employed on a temporary basis as a stenographer in the Division, be appointed on a permanent basis, with no change in her present salary at the rate of $1,560 per annum, effective at the expiration of her temporary appointment on September 30, 1937, subject to her passing satisfactorily the usual physical examination.

Approved unanimously.
Memorandum dated September 23, 1937, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Miss Mary V. Quimby, who has been employed on a temporary basis as a stenographer in the Division, be appointed on a permanent basis, with no change in her present salary at the rate of $1,440 per annum, effective at the expiration of her temporary appointment on October 5, 1937, subject to her passing satisfactorily the usual physical examination.

Approved unanimously.

Memorandum dated September 23, 1937, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending the transfer of Mr. Robert C. Witherspoon, elevator operator, to the Division of Research and Statistics as a library clerk, with no change in his present salary at the rate of $1,200 per annum, effective as of October 1, 1937.

Approved unanimously.

Telegram to Mr. Fletcher, Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"Retel 27, no change contemplated in group classification of member banks for election of directors in your district."

Approved unanimously.

Thereupon the meeting adjourned.

Approved: [Signature]

Vice Chairman.

[Signature] Secretary.