A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, November 15, 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 dated November 13, 1937, to Mr. Powell, Secretary of the Federal Reserve Bank of Minneapolis, 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 November 10, 1937, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that, effective at the expiration of his temporary appointment on December 15, Mr. V. Lewis Bassie be given a permanent appointment as a senior economist in the Division, with no change in his present salary at the rate of $4,600 per annum.

Approved unanimously.

Memorandum dated November 8, 1937, from Mr. Paulger, Chief
of the Division of Examinations, recommending approval of per diem
at the rate of $5.00 per day for Mr. Robert W. Cooke, Assistant Fed-
eral Reserve Examiner, for the entire period of his illness while in
Cleveland from September 7 to October 1, 1937.

Approved unanimously.

Letter dated November 13, 1937, to Mr. McRae, Chief Examiner
for the Federal Reserve Bank of Boston, reading as follows:

"This refers to your letter of June 11, 1937, and
inclosures, presenting the question on behalf of the
Worcester County Trust Company, Worcester, Massachusetts,
whether funds of the local chapter of the Railroad Em-
ployees' National Pension Association may be classified
as savings deposits under the definition in section 1(e)
of Regulation Q.

"It is understood from the copy of its Constitution
and By-laws that the Association is a corporation organ-
ized without capital stock, not for profit, for the pur-
pose of obtaining retirement and disability pensions for
all members of railroad companies, express companies, and
pullman companies under the regulatory power of Congress.
The Constitution of the Association also provides that
in the event a satisfactory retirement pension is achieved
through an act of Congress the Association may be liqui-
dated by a convention or, at the discretion of the dele-
gates, the Association may be continued as a national
legislative association for railroad employees.

"As you know, the Board of Governors has recently
taken the position that labor unions of the usual type
may be considered as organizations operated primarily for
religious, philanthropic, charitable, educational, frater-
nal or other similar purposes and that deposits of such
organizations may be classified as savings deposits if
the organizations are not operated for profit and if the
deposits otherwise comply with the requirements of the
definition. It appears that the Railroad Employees' Na-
tional Pension Association has sufficient similarity to a
labor union to cause it to fall within the scope of the
Board's recent ruling and, accordingly, deposits of such
"Association may be classified by a member bank as savings deposits if they otherwise comply with the requirements of the definition."

Approved unanimously.

Letter dated November 13, 1937, to Mr. Swanson, Vice President of the Federal Reserve Bank of Minneapolis, reading as follows:

"This refers to your letter of October 12, 1937, with which there was inclosed a copy of the application of Northwest Bancorporation, Minneapolis, Minnesota, for registration pursuant to the Securities Exchange Act of 1934 and a copy of a resolution of the board of directors of the corporation relative to the retirement of so-called 'cutback preferred stock.'

"It is noted that, according to the material furnished by Northwest Bancorporation, the program relating to preferred stock has been discussed with your institution which has indicated no objection. It is assumed that you have satisfied yourself as to the practical aspects of the program, having in mind the maintenance of sound banking conditions and policies in the group as a whole in accordance with the principles incorporated in the agreement executed by Northwest Bancorporation as a condition to receiving a general voting permit.

"Your letter indicates that Northwest Bancorporation desires the Board's approval of the program, although the documents submitted by that corporation do not include a request for such approval. While one of the banks affected by the program, Daly Bank and Trust Company of Anaconda, is a State member bank, the Board's approval of the program as it relates to such bank is not required by the law or the conditions of membership to which the bank is subject, and it is not apparent that formal action by the Board is necessary in any other connection. However, the Board appreciates receipt of the information relating to such program."

Approved unanimously.

Memorandum dated November 12, 1937, from Mr. Noell, Assistant Secretary, recommending, for the reasons stated in the memorandum, that
11/15/37

additional amounts be added to certain classifications in the budget for 1937, as set forth below:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General - Communication Service</td>
<td>$8,000</td>
</tr>
<tr>
<td>Office of the Secretary - Communication Service</td>
<td>$650</td>
</tr>
<tr>
<td>Board Members' Offices - Supplies and Materials</td>
<td>$80</td>
</tr>
<tr>
<td>Office of the Secretary - Repairs to Equipment</td>
<td>$35</td>
</tr>
</tbody>
</table>

Approved unanimously.

Thereupon the meeting adjourned.

Approved:

[Signature]

Chairman.

[Signature]

Secretary.