

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, February 14, 1938, at 11:30 a. m.

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

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 February 12, 1938, were approved unanimously.

Memorandum dated February 12, 1938, from Mr. Smead, Chief of the Division of Bank Operations, submitting a letter dated February 4 from Mr. Taylor, Vice President of the Federal Reserve Bank of Cleveland, which requested approval by the Board of changes in the personnel classification plan of the bank to provide for the discontinuance of the position of "Manager" of the Credit Department, for the transfer of the positions of "Credit Analyst Senior Clerk", "Credit Analyst" and "Credit Clerk" from the Credit Department to the Loans, Rediscounts and Acceptances Department, and for minor changes in the description

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of work of the positions of "Head of Department" and "Assistant Head of Department" in the Loans, Rediscounts and Acceptances Department. The memorandum stated that the proposed changes had been reviewed and recommended that they be approved.

Approved unanimously.

Letter to Mr. Sonne, Chief Examiner for the Federal Reserve Bank of San Francisco, reading as follows:

"This refers to your letter of January 19, 1938, in connection with the published condition statement of The Pullman State Bank, Pullman, Washington, as of June 30, 1937.

"It is noted that, after publication of the bank's statement, certain adjustments were made in its reports of condition and of earnings and dividends, and that consequently the published statement differs somewhat from the revised condition report. Since the changes were made prior to December 31, 1937 and the condition report as of that date has already been published, it is not considered necessary for the bank to republish its condition report as of June 30, 1937."

Approved unanimously.

Letter to Mr. Walden, First Vice President of the Federal Reserve Bank of Richmond, reading as follows:

"In response to your inquiry of February 2, advances to protect collateral held by the Federal Reserve banks as security for Section 13b loans should be included in the calculation of the amount of Federal Reserve bank funds advanced and under commitment as reported on Form B-23."

Approved unanimously, with the understanding that copies of the letter would be sent to the Presidents of all Federal reserve banks.

Letter to Mr. Clerk, First Vice President of the Federal Reserve

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Bank of San Francisco, reading as follows:

"This refers to your letters of January 11, 15, and February 2, 1938, submitting information to Mr. Paulger with regard to certain suits involving Mr. Herbert Fleishacker. It will be appreciated if you will keep the Board advised of any developments in connection with this matter.

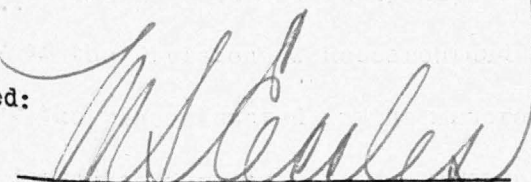
"Incidentally, it is not clear what you had in mind when you made the comment in your letter of January 11th to the effect that, if the results of the litigation should reflect generally on the banking situation in the Twelfth District, it would be necessary for Washington to act speedily and effectively to place the Anglo California National Bank in a position deserving the public confidence without equivocation. It will be appreciated if you will describe more fully your views with reference to this aspect of the matter for the information of the Board."

Approved unanimously.

Thereupon the meeting adjourned.


Assistant Secretary.

Approved:


Chairman.