

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, March 12, 1938, at 11:30 a. m.

PRESENT: Mr. Szymczak  
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:

Letter to Mr. Hamilton, President of the Federal Reserve Bank of Kansas City, reading as follows:

"There is inclosed for your information a copy of the report submitted by Mr. Myrick of the Board's staff following his study of the procedure followed by the Federal Reserve banks of Minneapolis and Kansas City in handling adjusted service bonds.

"When you have had an opportunity to review the report the Board would like to have your comments with respect thereto."

Approved unanimously.

Letter to Mr. Martin, President of the Federal Reserve Bank of St. Louis, reading as follows:

"Reference is made to your conversation with Mr. Smead during the recent Presidents' Conference in regard to territory assigned to the branches of the Federal Reserve Bank of St. Louis. As you know, definite territory is assigned to all branches of the Federal Reserve banks except those of the Federal Reserve Bank of St. Louis, and such territory is described in the Board's Annual Report (see pages 295

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"to 296 of the 1936 Annual Report) and is indicated on the Federal Reserve District map printed in the Annual Report and on the cover of the Federal Reserve Bulletin.

"From a study of the data shown in the par list it would appear that without changing any existing arrangements as regards par points it would be possible to describe the branch territory in your district somewhat as follows:

#### Little Rock Branch

The towns of Gentry (Benton county) and Mansfield (Sebastian county) and the following counties in Arkansas: Arkansas, Ashley, Bradley, Calhoun, Chicot, Clark, Cleburne, Cleveland, Columbia, Conway, Dallas, Desha, Drew, Faulkner, Garland, Grant, Hempstead, Hot Spring, Howard, Independence, IZard, Jackson (except Newport), Jefferson, Johnson, Lafayette, Lincoln, Little River, Logan, Lonoke, Miller, Monroe, Montgomery, Nevada, Ouachita, Perry, Pike, Pope, Pulaski, Saline, Scott, Seveir, Stone, Union, Van Buren, White and Yell.

#### Louisville Branch

That portion of the state of Kentucky included in Federal Reserve District No. 8, except the town of Morganfield (Union county).

The following counties in Indiana: Clark, Crawford, Floyd, Harrison, Jackson, Jefferson, Lawrence, Orange, Perry, Scott, Switzerland and Washington, and the towns of Shoals (Martin county), Huntingburg (Dubois county) and Jasper (Dubois county).

#### Memphis Branch

Those portions of the states of Mississippi and Tennessee included in Federal Reserve District No. 8, except the town of Union City (Obion county), Tennessee.

The following counties in Arkansas: Craighead, Crittenden, Cross, Lawrence, Lee, Mississippi, Phillips, Poinsett, Prairie, St. Francis and Woodruff.

"It would also seem that it would be possible to indicate on the Federal Reserve District map the territory assigned to the branches of your bank, although the group of counties in Arkansas not assigned to either the Little Rock or Memphis branches, and therefore constituting a portion of the Head Office territory, includes one county (Polk)

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"that would not be contiguous to the remainder of the head office territory.

"Your advice will be appreciated as to whether it is practicable to indicate on the Federal Reserve District map the territory assigned to the Little Rock, Louisville and Memphis branches and whether it would be feasible to make a limited number of changes in respect to the assignment of banking points, particularly in Arkansas, with a view to bringing about a somewhat more logical assignment of territory between the branches and the Head Office. It is understood of course that member banks assigned to any of the branches might be permitted to conduct certain transactions with the Head Office and vice versa."

Approved unanimously.

Letter to Mr. Rounds, Vice President of the Federal Reserve Bank of New York, reading as follows:

"Referring to your letter of March 8 there would appear to be no objection to furnishing the information requested by Mr. C. E. Payne, Department of Personnel Administration, National Industrial Conference Board Inc., New York, N. Y., in the manner set forth in your proposed reply. It is noted, however, that in the 'interleaf' it is stated that employees are rated on quality of work, quantity of work, initiative, cooperation, and in the case of employees occupying supervisory positions, the ability to supervise, while the 'rating sheet' and 'Manual of instructions for rating' provide for employees also being rated on 'personality'."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris  
Secretary.

Approved:

Mr. P. Applegate  
Member.