

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, April 13, 1938, at 12:30 p.m.

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

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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on April 12, 1938, were approved unanimously.

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

"In accordance with the request contained in your letter of April 7, the Board approves the appointment of Robert G. Cowan as an examiner and the appointments of Walter E. Jones, Frederick T. Lynch, Thomas F. Grimley, William J. Marold and James B. Cronin as assistant examiners for the Federal Reserve Bank of New York, the last named appointee at present holding a commission as an examiner. Please advise us of the dates these appointments become effective.

"The Board also approves the designations as assistant examiners of William F. Holland and Nathan N. Muzzy, employees of the bank, on the understanding that they are to lend clerical assistance to your regular examiners and will not be transferred permanently to examination work without the Board's approval."

Approved unanimously.

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

"Referring to your letter of April 8, 1938, the Board approves payment of salary at the rate of \$2,100 per annum, as fixed by your Board of Directors, for Mr. Earle M. Looney, Assistant Manager of the Savannah Agency. From your letter it is noted that Mr. Looney assumed his duties as Assistant Manager on April 9."

Approved unanimously.

Letter to the Presidents of all Federal reserve banks, reading as follows:

"The Board of Governors has considered the recommendations of the Leased Wire Committee as contained in the report of the Committee submitted to and approved by the recent Conference of Presidents, and has taken action with respect thereto as set forth below:

"The procedure proposed in connection with the revision of the Federal reserve telegraph code is approved with the understanding that the subcommittee of the Leased Wire Committee will prepare a revision of the present code which will be submitted by the Leased Wire Committee to the Federal reserve banks and the Board for suggestions and approval before final printing.

"The changes recommended by the Leased Wire Committee in the regulations governing telegraphic transfers of funds are being considered and you will be advised in due course of the decision reached.

"The recommendation that salaries of operators and others assigned to the main lines of the leased wire system, overtime and supper money, retirement system contributions for current service, and printing, stationery and supplies be included in the expense of the main lines and shown in the monthly leased wire statement is approved, effective April 1, 1938.

"The Board also approves the recommendation that, with the exception of section 16, the memorandum of instructions with respect to telegrams sent over the Federal Reserve Leased Wire System become effective immediately as superseding the old leased wire manual. However, since the studies of changes in routings that might be made in telegrams sent over the leased wire system which are being made by the American Telephone and Telegraph Company and the Western Union Telegraph Company will

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"be available shortly, and since any substantial change in the routing of telegrams may have an effect upon the present policy of making a double charge for reimbursable telegrams sent over the main lines and also over branch lines, it is believed that no change should be made in the basis for counting words in telegrams until the subcommittee of the Leased Wire Committee has had an opportunity to review the studies submitted by the two companies. It is understood that each Federal reserve bank will make such distribution of the memorandum of instructions among the employees of the bank and branches as it deems necessary.

"The Board concurs in the suggestion that each Federal reserve bank take up with the local office of the telephone company any matter which relates to interruptions in the service or the routine operation of the main line facilities used by the bank and that matters involving changes in facilities on the main lines or any change in the contracts covering the main lines be taken up with the appropriate company through the Board's offices in Washington.


"It does not appear that action is required by the Board with respect to any of the remaining recommendations of the Leased Wire Committee."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.