

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, September 21, 1938, at 11:30 a.m.

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

Mr. Bethea, Assistant Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Clayton, Assistant to the Chairman

The action stated with respect to each of the matters hereinafter referred to was taken by the Board:

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on September 16 and 19, 1938, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System and the Federal Advisory Council held on September 20, 1938, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System with the Presidents of the Federal Reserve Banks and the Federal Advisory Council held on September 20, 1938, were approved unanimously.

Memorandum dated September 20, 1938, from Mr. Carpenter, Assistant Secretary, submitting the resignation of Miss Shirley Thompson as a temporary file clerk in the Board's Files, to be effective as of the close of business on October 4, 1938, and recommending that the resignation be accepted as of that date.

Approved unanimously.

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Telegram to Mr. Geery, Federal Reserve Agent at the Federal Reserve Bank of Minneapolis, reading as follows:

"Retel September 19, Board approves appointment of John Johnson as Alternate Assistant Federal Reserve Agent at your bank at his present salary, with understanding that Mr. Johnson will be placed upon Agent's payroll and be solely responsible to Agent, or during vacancy in office of Agent to Assistant Federal Reserve Agent, and to Board of Governors for proper performance of duties. When not engaged in performance of duties as Alternate Assistant Federal Reserve Agent, he may, with approval of Agent, or Assistant Agent, and President, perform such work for the bank as will not be inconsistent with duties as Alternate Assistant Federal Reserve Agent. Mr. Johnson should execute usual oath of office and surety bond in amount of \$50,000 and should not enter upon performance of duties as Alternate Assistant Federal Reserve Agent until bond has been examined by your counsel to determine whether its execution complies fully with rules printed on reverse side of form of bond 182, following which bond should be forwarded to Board promptly for approval. Please forward Mr. Carlander's resignation to the Board promptly so that appropriate letter may be written to bonding company involved releasing it from liability on bond executed by him as Alternate Assistant Federal Reserve Agent."

Approved unanimously.

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

"In accordance with the request contained in your letter of September 14, the Board approves the appointment of Harold E. Donovan as an assistant examiner for the Federal Reserve Bank of Kansas City at a salary rate of \$2,556 per annum."

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Boston, reading as follows:

"Reference is made to your letter of September 15 with respect to reimbursing any member bank represented at the forthcoming annual meeting of stockholders for

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"transportation expense incurred in attending the meeting.

"The Board of Governors approves the expenditure authorized by the board of directors of your bank on September 14 in reimbursing any member bank represented at the stockholders' meeting for the amount expended by not more than one representative of such bank for railroad fare and Pullman accommodation in attending the meeting."

Approved unanimously.

Letter to Mr. Clerk, First Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Reference is made to your letter of September 15 in further reference to disestablishing the Spokane Branch.

"It is noted that the board of directors of your bank has fixed October 1 as the date on which the Branch is to be disestablished.

"In accordance with the recommendation made in your letter, the Board approves the transfer of territory, effective October 1, 1938, from the Seattle Zone to the Portland Zone as follows:

<u>State</u>	<u>Counties</u>	
Washington	Walla Walla	Garfield
	Columbia	Asotin
Idaho	Benewah	Kootenai
	Bonner	Latah
	Boundary	Lewis
	Clearwater	NezPerce
	Idaho	Shoshone

"The Board also approves the proposed changes in the By-laws of the Seattle and Portland Branches so as to provide on October 1, 1938, for six directors at each Branch, and effective January 1, 1939, for five directors at each Branch. It is understood that you propose to appoint, effective October 1, Mr. N. A. Telyea, President of the Old National Bank & Union Trust Company of Spokane, a member of the board of directors of the Seattle Branch, and Mr. N. A. Davis, Vice President of the Baker-Boyer National Bank of Walla Walla, a member of the board of directors of the Portland Branch, each of these appointments being for the term ending December 31, 1938.

"It is noted that Mr. D. L. Davis, Managing Director of the Spokane Branch, has been appointed Assistant Manager of the Seattle Branch at his present salary of \$7,500 per annum, and that Mr. F. C. Bold, now Assistant Manager of the Spokane

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"Branch, has also been appointed Assistant Manager of the Seattle Branch at his present salary of \$5,500 per annum. The payment of a salary to Mr. Davis at the rate of \$7,500 per annum and to Mr. Bold at the rate of \$5,500 per annum for the period October 1 to December 31, 1938, is approved. It is understood that Mr. Davis' appointment as Assistant Manager of the Seattle Branch is a temporary one and that adjustments in the official staff of your bank at the end of the year are in contemplation. It is also understood that Mr. Bold will be temporarily retained at Spokane in charge of Reconstruction Finance Corporation custodianship activities, which will be continued there until December 31, 1938, unless the Corporation desires the custodianship at Spokane discontinued earlier.

"No statement will be released to the press by the Board in regard to the discontinuance of the Spokane Branch, but a notice in regard thereto will be inserted in the October Federal Reserve Bulletin. It is requested that a copy of the statement issued by your bank be furnished the Board, which it is assumed will contain a statement to the effect that the directors of your bank, with the approval of the Board of Governors of the Federal Reserve System, have directed that the branch be discontinued."

Approved unanimously.

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

"This refers to your letter of September 12, 1938, advising that the board of directors of the Federal Reserve Bank of St. Louis at its meeting on September 8, 1938, ordered that, effective September 15, 1938, subject to the approval of the Board of Governors, the first sentence of section 3 of article II of the by-laws of the Memphis Branch be amended by changing the date of the regular meeting of the Branch board of directors from the Friday before the first Wednesday of each month to the Friday before the second Thursday of each month.

"You are advised that the Board of Governors approves this amendment to the by-laws of the Memphis Branch.

"It is noted that you will furnish revised copies of the Memphis by-laws to the Board. One copy will be sufficient for this purpose."

Approved unanimously.

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

"Retel September 19, the Board contemplates no change at this time in group classification of member banks in Fourth Federal Reserve District."

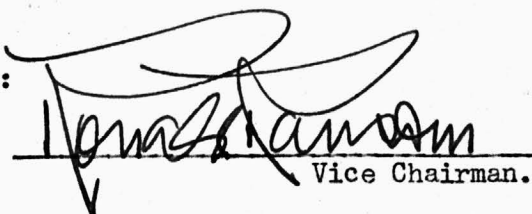
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Vice Chairman.