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

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Davis
Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

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

Memorandum dated October 1, 1938, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, for the reason stated in the memorandum, the appointment on a permanent basis of Michael Marsh as an Economic Assistant in the Division, with no change in his present salary at the rate of $1,800 per annum, effective October 11, 1938, subject to his passing satisfactorily the usual physical examination.

Approved unanimously.

Letter to Mr. Peyton, President of the Federal Reserve Bank of Minneapolis, reading as follows:

"In accordance with the request contained in your letter of October 5, the Board approves the designation as assistant examiner of Walter S. Ferrian, an employee of the bank, on the understanding that he is only to lend clerical assistance in examinations and will not be transferred permanently to examining work without the Board's approval."

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

"Receipt is acknowledged of your letter of October 4, 1938, and its inclosure, in which the question is raised whether the Trust Company of Georgia, in addition to one of the subsidiary member banks of the Trust Company of Georgia Associates, is entitled to vote in the pending election of a Class B director in your district.

"After consideration of this question, it is the view of the Board that it was the intent of the statute that in a situation of this kind all of the member banks in a single group controlled by the same interests should together have but one vote in such an election, and that this intent of the law is not affected by the circumstance that one of the member banks happens to be a holding company affiliate. Accordingly, the Board has reached the conclusion that in the circumstances stated in your letter any one, but not more than one, of the three member banks named, when designated for the purpose in accordance with the provisions of section 4 of the Federal Reserve Act, may participate in the pending election of a Class B director in your district, and that if the Trust Company of Georgia elects to participate, neither of the other member banks may do so."

Approved unanimously.

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

"In the Board’s letter of August 24, S-112, transmitting copies of the revised examination report form and advising that a few months’ supply of the forms was being forwarded for use, it was said that advice as to the cost of the form would be forwarded later. This letter is to furnish that information and to explain the method of pro-rating the costs of the form among the various Reserve banks.

"As you may know, the Board has installed multilith
equipment and the report forms were printed on that equipment by the Board's employees.

The cost of the new form, including the trust form, is as follows:

**Composition:**

- Printer's proofs (these were furnished by a firm of compositors and from the proofs the multilith plates were made) $355.20
- Multilith plates 195.00
- Printing covers for the report 40.00

**Total cost** $588.20

Paper and miscellaneous supplies:

- Paper $1,372.56
- Cover stock 105.90
- Binding tape 50.50

**Total cost** $1,528.96

"At the time we were not prepared to make the multilith plates and these were obtained from outside sources. Had we been prepared, as we now are, the cost for this item would have been materially less.

The following statement shows the distribution of the costs among the various Federal Reserve banks:

<table>
<thead>
<tr>
<th>Paper and supplies</th>
<th>Percent</th>
<th>Amount</th>
<th>Composition, etc.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>5</td>
<td>$76.45</td>
<td>$49.02</td>
<td>$125.47</td>
</tr>
<tr>
<td>New York</td>
<td>20</td>
<td>305.78</td>
<td>49.00</td>
<td>354.78</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>10</td>
<td>152.90</td>
<td>49.02</td>
<td>201.92</td>
</tr>
<tr>
<td>Cleveland</td>
<td>10</td>
<td>152.90</td>
<td>49.02</td>
<td>201.92</td>
</tr>
<tr>
<td>Richmond</td>
<td>5</td>
<td>76.45</td>
<td>49.02</td>
<td>125.47</td>
</tr>
<tr>
<td>Atlanta</td>
<td>5</td>
<td>76.45</td>
<td>49.02</td>
<td>125.47</td>
</tr>
<tr>
<td>Chicago</td>
<td>15</td>
<td>229.33</td>
<td>49.00</td>
<td>278.33</td>
</tr>
<tr>
<td>St. Louis</td>
<td>5</td>
<td>76.45</td>
<td>49.02</td>
<td>125.47</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>5</td>
<td>76.45</td>
<td>49.02</td>
<td>125.47</td>
</tr>
<tr>
<td>Kansas City</td>
<td>5</td>
<td>76.45</td>
<td>49.02</td>
<td>125.47</td>
</tr>
<tr>
<td>Dallas</td>
<td>5</td>
<td>76.45</td>
<td>49.02</td>
<td>125.47</td>
</tr>
<tr>
<td>San Francisco</td>
<td>10</td>
<td>152.90</td>
<td>49.02</td>
<td>201.92</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>100</td>
<td>$1,528.96</td>
<td>$588.20</td>
<td>$2,117.16</td>
</tr>
</tbody>
</table>

"Every Federal reserve bank except the Federal Reserve Bank of Richmond should pay this assessment by transferring the amount
"shown in the last column of the statement through the Inter-district Settlement Fund to the Federal Reserve Bank of Richmond for credit to the account of the Board of Governors of the Federal Reserve System on the books of that bank, with telegraphic advice to Richmond of the purpose and amount of the credit, and the Federal Reserve Bank of Richmond should pay its assessment by crediting the amount thereof on its books to the Board of Governors of the Federal Reserve System.

"As will be noted, the costs of composition have been prorated equally among the Reserve banks, inasmuch as each bank would have had to incur composition costs if each bank had arranged for the printing of its own forms. The costs of the paper and supplies have been distributed on the basis of an estimate of the amount which will be used by each Federal reserve bank, the estimate being based on the number and size of the State member banks in the various districts.

"An estimated year's supply of paper was purchased. Only a portion of the stock has been used and additional supplies from such stock will be furnished without further cost to the Reserve banks. Costs of future purchases of paper will be prorated among the various banks on the basis scheduled above and forms printed from such supplies will be furnished without additional costs, except that in the case of substantial revision of the form composition costs will be prorated.

"The Board is interested in comparing the cost of the form prepared here with an estimate of what it would have cost the Reserve banks to prepare their own forms individually. It will be appreciated, therefore, if each Reserve bank will determine and advise the Board as to what the approximate cost would have been to the bank of preparing the new forms. It is requested that this estimate be not only for the first printing, but to cover, say, a five-year period. The latter estimate would no doubt involve some cost of composition for reprints, whereas under the present procedure no such expense should be incurred except in connection with revisions."

Approved unanimously.
10/11/38

Thereupon the meeting adjourned.

[Signature]
Secretary.

Approved: [Signature]
Chairman.