

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, December 7, 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

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

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on December 6, 1938, were approved unanimously.

Letter to Mr. Austin, Chairman of the Federal Reserve Bank of Philadelphia, reading as follows:

"In view of the expiration at the end of this month of your service as Class 'C' director, Chairman of the Board of Directors, and Federal Reserve Agent, at the Federal Reserve Bank of Philadelphia, the members of the Board of Governors of the Federal Reserve System, acting unanimously, have asked me to write you in behalf of the Board a letter thanking you for the valuable service which you have rendered to the Federal Reserve System.

"You have occupied an especially noteworthy place in the development of the Federal Reserve System in that you have been Chairman and Federal Reserve Agent at the Federal Reserve Bank of Philadelphia continuously since the establishment of that bank.

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"In the years of your long service you have participated not only in the organization of the Federal Reserve System but in the conduct of its affairs during times of great stress and strain as well as periods of relative security. You have been constant and faithful in the execution of your important trust and the members of the Board express the hope that in the years to come you will continue your interest in the welfare of the System. They extend to you their best wishes for good health and happiness and as evidence of their esteem this letter is being spread upon the official minutes of the Board of Governors."

Approved unanimously.

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

"In view of the circumstances set forth in your letter of December 2, 1938, the Board approves the continuation of the payment of a salary to Miss Katherine M. Queern at the rate of \$2,320 per annum, which is in excess of the \$2,220 maximum annual salary provided in the personnel classification plan of your bank for the position she now occupies.

"It is noted that in the event of a suitable opening with a higher maximum salary Miss Queern will be given consideration for the position."

Approved unanimously.

Memorandum dated December 2, 1938, from Mr. Smead, Chief of the Division of Bank Operations, submitting a letter dated November 29 from Mr. Preston, First Vice President of the Federal Reserve Bank of Chicago, which requested approval by the Board of a change in the personnel classification plan of the bank to provide for the creation of the new position of "Economic Adviser" in the Research

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and Statistics Department. The memorandum stated that the proposed change had been reviewed and recommended that it be approved.

Approved unanimously.

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

"In accordance with the recommendation of the Committee on Free Services of the Presidents' Conference as amended and approved by the Presidents' Conference at its meeting in Washington on October 24-25, 1938, the Board approves the acceptance and holding in safekeeping of securities pledged as collateral to deposits of bankrupt estates under the provisions of Chapter VII of the amended Bankruptcy Act, with the understanding that

1. When such securities are placed in safekeeping with the Federal Reserve banks by member banks, the Federal Reserve banks will make no charge for their services in connection therewith,
2. When such securities are placed in safekeeping with the Federal Reserve banks by nonmember banks, including nonmember clearing banks, the Federal Reserve banks will charge for their services at the rate of 1/40th of one per cent of the face value of such securities, provided, however, that the minimum charge shall be \$2.50 and the maximum charge \$250.00 for each twelve month period, or portion thereof, during which securities are held in safekeeping, and
3. The Federal Reserve banks will be reimbursed by depositing member and nonmember banks for shipping expenses incident to receiving and delivering securities pledged as collateral to deposits of bankrupt estates under the provisions of Chapter VII of the amended Bankruptcy Act."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Howell  
Secretary.

Approved:

W. C. ...  
Chairman.