

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, January 25, 1939, at 11:30 a. m.

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

Mr. Morrill, 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 January 23, 1939, were approved unanimously.

Memorandum dated January 24, 1939, from Mr. Snead, Chief of the Division of Bank Operations, submitting letters dated December 30, 1938, and January 18, 1939, from Mr. Walden, First Vice President of the Federal Reserve Bank of Richmond, which requested approval by the Board of changes in the personnel classification plan of the bank to provide for the creation of the new position of "Information Clerk" in the General Service Department, with a maximum salary of \$1,800 per annum, and for a change in the maximum salary for the position of "Coin Counter" in the Money Department from \$1,380 to \$1,500 per annum. The memorandum stated that the proposed changes had been

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reviewed and recommended that they be approved, and recommended also that the Board interpose no objection at this time to the payment of salary at the rate of \$2,760 per annum to the junior bank relations representative who will occupy the position of Information Clerk, which salary is \$960 in excess of the maximum annual salary provided for the position.

Approved unanimously.

Memorandum dated January 23, 1939, from Mr. Smead, Chief of the Division of Bank Operations, submitting a letter dated January 20 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 Detroit branch of the Chicago bank to provide for the creation of the new position of "Assistant Custodian" in the Securities Department-Custody Division, with a maximum salary of \$2,520 per annum. The memorandum stated that the proposed change had been reviewed and recommended that it be approved.

Approved unanimously.

Memorandum dated January 18, 1939, from Mr. Smead, Chief of the Division of Bank Operations, submitting a letter dated January 12 from Mr. Gilbert, First Vice President of the Federal Reserve Bank of Dallas, which requested approval by the Board of changes in the personnel classification plans of the Dallas bank and its Houston and San Antonio branches to provide for increases in the maximum salaries

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for the positions of "Manager" and "Statistician" in the Research and Statistical Department at the head office, and for the position of "General Clerk" in the R.F.C. and P.W.A. Custodies Departments at the San Antonio and Houston branches. The memorandum stated that the proposed changes had been reviewed and recommended that they be approved.

Approved unanimously.

Letter to "The Centerville National Bank", Centerville, Iowa, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for permission to exercise fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, guardian of estates, and receiver, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously.

Telegram dated January 24, 1939, to Mr. Clerk, First Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Re letter January 21, 1939. In accordance with your recommendation Board interposes no objection to proposed retirement by 'Citizens State Bank', Puyallup, Washington, of \$10,000 capital debentures."

Approved unanimously.

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Memorandum dated January 18, 1939, from Mr. Smead, Chief of the Division of Bank Operations, recommending that the weekly member bank condition report, Form F.R. 416, be revised effective February 8, 1939, in accordance with the draft of the report attached thereto. The memorandum stated that the proposed changes were largely for the purpose of making the weekly condition report conform to the recently revised form of member bank call report.

Approved unanimously, the letter to the Presidents of all Federal reserve banks reading as follows:

"There is inclosed a copy of Form F.R. 416, which has been revised largely to correspond with changes recently made in the form of member bank call report. It will be appreciated if you will arrange to have reports submitted in accordance with the revised form beginning with Wednesday, February 8, 1939.

"In drafting the revised form consideration was given to the desirability of the Board's printing a supply thereof for the use of weekly reporting member banks in all districts. Since it appears, however, that most of the Reserve banks prefer to use weekly report forms printed in a style adapted to their particular needs, the existing practice of each Federal Reserve bank's printing its own supply may be continued."

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

"This refers to your letter of January 13, 1939, inclosing a copy of a letter received by you from Mr. Robert L. Schneider, an employee of your bank with respect to whether the service of Mr. Schneider as a member of the Finance Committee of the Town of Needham, Massachusetts, would be contrary to the spirit of the resolution of the Board of Governors of December 23, 1915,

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"regarding the holding of political or public office by officers and directors of Federal Reserve banks.

"It is understood that the members of the Finance Committee in question are appointed in accordance with the town's by-laws pursuant to authority conferred by section 16, chapter 39, of the General Laws of Massachusetts. It is further understood that the office is nonpolitical and nonpartisan and that the members of the Committee serve without remuneration. It is noted that this matter has been considered by your board of directors and that the directors feel that the service of Mr. Schneider in this capacity would not seriously interfere with his duties as an employee of your bank.

"On the basis of the circumstances stated, the Board of Governors offers no objection to Mr. Schneider's service as a member of the Finance Committee of the Town of Needham, Massachusetts."

Approved unanimously.

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

"There are being forwarded to you today under separate cover twenty-five copies of a pamphlet containing a record of the proceedings in connection with the unveiling of a bas-relief of Senator Carter Glass in the Federal Reserve Building in Washington on December 23, 1938, which date marked the twenty-fifth anniversary of the signing of the Federal Reserve Act. A copy of the pamphlet is being sent today to each member bank and a copy of the letter which will accompany the pamphlet is inclosed."

Approved unanimously, the letter to each member bank reading as follows:

"As you know, December 23, 1938 marked the twenty-fifth anniversary of the signing of the Federal Reserve Act. On that day there was unveiled in the Federal Reserve Building in Washington a bas-relief of Senator Carter Glass.

"Thinking that your bank would be interested in having available to it a separate record of the proceedings in connection with the unveiling, the Board of Governors has

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"requested that the attached pamphlet containing such a record be sent to you."

Mr. Morrill reported that, upon invitation by Mr. Ransom, Messrs. Ward, Wolcott, Royce, Kelly, Barclay, Wolfe, Creighton, Downie, Selicman and Freyburger, members of the Common Trust Fund Committee of the American Bankers Association who met with members of the Board and its staff today, were guests at luncheon in the Board's dining room, and that Mr. Ransom recommended that the Board authorize payment of the cost of the luncheons served.

Approved unanimously.

Thereupon the meeting adjourned.

Walter Morrill
Secretary.

Approved:

W. S. ...
Chairman.