

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, February 4, 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. 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 meeting of the Board of Governors of the Federal Reserve System held on February 3, 1939, were approved unanimously.

Memorandum dated February 2, 1939, from Mr. Morrill recommending that, for the reason stated in the memorandum, Robert W. Rieseberg, Page, be promoted to the position of Clerk in the Secretary's Office, with salary at the rate of \$1,380 per annum, effective as of February 16, 1939, and that John J. Sowers be appointed as a Page in the Secretary's Office, with salary at the rate of \$1,080 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination.

The recommendations were approved unanimously.

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Memorandum dated February 3, 1939, from Mr. Morrill recommending that Mrs. Lillie J. Wiklund, relief charwoman, be appointed on a permanent basis as a charwoman in the Secretary's Office, with no change in her present salary at the rate of 50¢ per hour, effective immediately, and that Mrs. Almeda Steiner, who had been selected in accordance with the action taken by the Board on July 12 and December 28, 1937, be appointed as a relief charwoman in the Secretary's Office, with salary at the rate of 50¢ per hour, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination.

The recommendations were approved unanimously.

Memorandum dated February 2, 1939, from Mr. Smead, Chief of the Division of Bank Operations, submitting a letter dated January 30 from Mr. Martin, President of the Federal Reserve Bank of St. Louis, which requested approval by the Board of a change in the personnel classification plan of the Memphis branch of the bank to provide for an increase in the maximum salary for the position of "Maid" in the Banking House Department from \$480 to \$572 per annum. The memorandum stated that the proposed change had been reviewed and recommended that it be approved.

Approved unanimously.

Letter to Honorable D. W. Bell, Acting Director of the Bureau

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of the Budget, prepared in accordance with the action taken at the meeting of the Board on February 3, 1939, and reading as follows:

"Acknowledgment is made of your letter to Chairman Eccles of January 27 enclosing a copy of a proposed report by the Secretary of Agriculture on S. 31 and requesting an expression of views on the proposed bill.

"The Board is preparing a report on this bill at the request of the Senate Committee on Banking and Currency and a copy will be sent to you. In the meantime, I am sending you copies of statements issued by the Board on August 2, 1937 and April 9, 1938, which indicate the Board's views on proposals of this general character.

"There are enclosed comments on the proposed report by the Secretary of Agriculture, together with the copy of his report."

Approved unanimously.

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

"This refers to your letters of January 23 and 27 relating to the condition report and published statement of the American Bank and Trust Company, New Orleans, Louisiana, as of December 31, 1938.

"It is noted that the bank reported 'None' against Asset item 9, 'Investments and other assets indirectly representing bank premises or other real estate'; that the amount \$2,415,700 should have been reported against the item, representing an investment of \$1,683,700 in the stock of the American Safe Deposit Co., Inc., an affiliate of the member bank and a \$732,000 loan to the same concern; and that the statement of the affiliate, which was published on the same date and in the same newspaper as the bank's condition statement, correctly sets forth the extent to which the member bank owns stock therein and the amount of the affiliate's borrowings from the member bank. It is understood from your telephone advice to Mr. Smead that the member bank's failure to report the amount \$2,415,700 against item 9 of Assets was due

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"to the fact that it understood that all investments in affiliates had to be reported against item 4(b) of Schedule B of Form F.R. 105 and, consequently, reflected in item 5 of Assets rather than in item 9. The instructions, Form F.R. 105a, page 15, governing the preparation of condition reports of State bank members, provide that any investment in the capital stock of an affiliated corporation which indirectly represents bank premises or other real estate should be included in Schedule C rather than Schedule B and, consequently, included in item 9 of Assets rather than in item 5. Apparently the member bank overlooked this part of the instructions in preparing its report. Incidentally, it is contemplated that when Form F.R. 105 is reprinted item 4 of Schedule B will be revised by adding the words '(except investments indirectly representing bank premises or other real estate)' after the caption 'Corporate stocks'.

"In the above circumstances and in view of your recommendation, the Board will not require republication of the December 31, 1938 condition statement of the American Bank and Trust Company, New Orleans, Louisiana."

Approved unanimously.

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

"This refers to your letter of January 31, 1939, inclosing a copy of a letter from Wisconsin Bankshares Corporation, Milwaukee, Wisconsin, dated January 30, requesting an extension of time for filing its report to the Board for the year ended December 31, 1938. It is noted that the corporation stated that it would prefer delaying the report until such time as an audit, now in progress, has been completed, and that it is hoped that the report will be submitted not later than February 15.

"As stated on page 1 of Form F.R. 437, the annual reports are requested for the information of the Board in connection with general voting permits held by holding company affiliates. The Board desires to have the requested information as current as practicable. Inasmuch as the Board has not requested that audited data be submitted in the statements and schedules provided in Form

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"F.R. 437, it does not appear necessary for the corporation to await the completion of the audit before filing its report to the Board. It is recognized, of course, that the corporation and other organizations in the group must have a reasonable amount of time to compile properly from their books and records the information requested. Accordingly, the Board will extend until February 15 the time for filing the report, if such time is deemed necessary for the proper preparation of the report. Please advise Wisconsin Bankshares Corporation accordingly."

Approved unanimously.

Thereupon the meeting adjourned.

Walter Morrie  
Secretary.

Approved:

W. C. ...  
Chairman.