A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, April 17, 1939, at 10:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Davis
Mr. Draper
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 April 13, 1939, were approved unanimously.

Telegrams dated April 14, 1939, to Mr. Young, President of the Federal Reserve Bank of Boston, Mr. Kimball, Secretary of the Federal Reserve Bank of New York, Mr. Davis, Vice President of the Federal Reserve Bank of Philadelphia, Mr. Hays, Secretary of the Federal Reserve Bank of Cleveland, Mr. Leach, President of the Federal Reserve Bank of Richmond, Messrs. Dillard, Stewart and Powell, Secretaries of the Federal Reserve Banks of Chicago, St. Louis and Minneapolis, respectively, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve Bank...
Bank of Dallas, and Mr. Hale, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on April 11, by the Federal Reserve Bank of Richmond on April 12, by the Federal Reserve Banks of New York, Cleveland, Chicago, St. Louis, Minneapolis, Kansas City and Dallas on April 13, 1939, and by the Federal Reserve Banks of Boston and Philadelphia today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter dated April 15, 1939, to Mr. Sproul, First Vice President of the Federal Reserve Bank of New York, reading as follows:

"Referring to your letter of April 7, 1939, the Board of Governors approves the payment of a salary at the rate of $6,600 per annum, from April 15, 1939 to December 31, 1939, to Mr. F. T. Davis as Manager, Check Department, and the payment of a salary at the rate of $5,000 per annum, from April 7, 1939 to December 31, 1939, to Mr. Frederick Stocker as Manager, Cash Custody Department."

Approved unanimously.

Memorandum dated April 11, 1939, from Mr. Szymczak submitting a copy of the report of functional expenses of the Federal Reserve banks and branches for the second half of 1938, together with memoranda prepared in the Division of Bank Operations with respect thereto. The memorandum stated that Mr. Szymczak had studied the report and the memoranda referred to and that he would suggest that (1) a copy of the report be sent to the chairman of each Federal Reserve bank with
a letter requesting that he consult with the President of his bank on the various functions and expenses as compared with other Federal Reserve banks, and that the chairman require the officers to make a study of the report and convey the results of such study to the board of directors, and (2) representatives of the Division of Bank Operations visit the Federal Reserve banks for the purpose of calling attention to differences in the expenses of certain functions at different Federal Reserve banks so that the study may be brought to a satisfactory conclusion in the interest of economy and efficiency.

Mr. Szymczak's suggestions were approved unanimously.

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

"The Board has received replies from all of the Federal Reserve banks to its letter of March 15, 1939, (R-423) with respect to the suggestion that the Board furnish copies of the Federal Reserve Bulletin to out-of-town branches of member banks.

"All but one of the banks were in favor of some liberalization of the present arrangement under which one copy of the Federal Reserve Bulletin is sent to each member bank without charge. Some of the banks suggested, however, that no distinction should be made between branches located in the head office city of the member bank and out-of-town branches and that consideration be given to the advisability of sending the Bulletin to branches of member banks, regardless of location, that carry on substantial banking activities and are more than offices for the receipt of deposits and the cashing of checks."
"Accordingly, the Board has decided that in the future it will send a copy of the Bulletin to each domestic branch of a member bank, the business of which, in the opinion of the Federal Reserve bank, is sufficiently important to justify the Board in making a copy of the Bulletin available to the managing officer of the branch, except that not more than 50 copies will be sent to the branches of any one member bank. It will be appreciated, therefore, if you will send to the Board a list of the names and addresses of the branches of member banks in your district to which you feel copies of the Bulletin should be sent in accordance with this policy.

"The suggestion was also made by a Federal Reserve bank that it might be desirable to furnish the larger member banks with additional copies of the Bulletin for the use of officers and departments of the head office. The Board has given consideration to this suggestion but has found it impossible to determine upon a satisfactory basis upon which such additional copies could be sent."

Approved unanimously.

Memorandum dated April 13, 1939, from Mr. Vest, Assistant General Counsel, recommending that there be published in the May issue of the Federal Reserve Bulletin a statement in the form attached to the memorandum regarding the repeal of Regulation G, Rediscount of Notes Secured by Adjusted Service Certificates, and statements with respect to recent rulings of the Board regarding the following subjects:

- Credit Union Notes as Basis for Extension of Credit by Federal Reserve Banks
- Loan to Partnership as Loan to Partner Under Section 11(m) of Federal Reserve Act

Approved unanimously.
Thereupon the meeting adjourned.

[Signature]
Assistant Secretary.

Approved:

[Signature]
Chairman.