

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, September 29, 1939, at 11:00 a. m.

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

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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on September 28, 1939, were approved unanimously.

Telegrams to Mr. Young, President of the Federal Reserve Bank of Boston, Messrs. Kimball, Post and Hays, Secretaries of the Federal Reserve Banks of New York, Philadelphia, and Cleveland, respectively, Messrs. Leach and Parker, Presidents of the Federal Reserve Banks of Richmond and Atlanta, respectively, Messrs. Dillard and Stewart, Secretaries of the Federal Reserve Banks of Chicago and St. Louis, respectively, Mr. Ziemer, Vice President of the Federal Reserve Bank of Minneapolis, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. West, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approves the

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establishment without change by the Federal Reserve Bank of San Francisco on September 26, by the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City and Dallas on September 28, 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.

Memorandum dated September 26, 1939, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that, for the reason stated in the memorandum, Alfred Sherrard be appointed on a temporary basis for a period of six months as a junior economist in the Division, with salary at the rate of \$2,800 per annum, effective as of the date upon which he enters upon the performance of his duties. The memorandum also recommended that, since Mr. Sherrard would probably be recommended for a permanent appointment at a later date, he now be permitted to become a member of the Retirement System of the Federal Reserve Banks.

The recommendations were approved unanimously.

Memorandum dated September 26, 1939, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that, for the reason stated in the memorandum, Mrs. Walter Slavik be appointed on a temporary basis for a period of three months as a draftsman in the Division, with salary at the rate of \$150 per

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month, effective October 1, 1939.

Approved unanimously, the recommendation having been approved by the Board's Personnel Committee with the understanding that Mrs. Slavik's employment would be for three months only.

Memorandum dated September 26, 1939, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Alan R. Sweezy as a senior economist in the Division, and recommending that it be accepted effective as of the close of business on September 30, 1939.

Approved unanimously.

Memorandum dated September 26, 1939, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that, for the reasons stated in the memorandum, the Board approve for payment a travel voucher in the amount of \$31.99 submitted by Henry Edmiston, senior economist in the Division of Research and Statistics, and authorize the payment of railroad and Pullman fares in the amount of \$28.00 which Mr. Edmiston purchased on August 21, 1939, with transportation requests.

Approved unanimously.

Memorandum dated September 28, 1939, from Mr. Smead, Chief of the Division of Bank Operations, submitting a letter dated September 26 from Mr. Martin, President of the Federal Reserve Bank of St. Louis, which requested approval by the Board of a change in the

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personnel classification plan of the Memphis Branch of the Federal Reserve Bank of St. Louis to provide for an increase in the maximum annual salary for the position of "Maid" at the bank.

Approved unanimously.

Letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"This refers to your letter of September 15, 1939, advising that the Clovis National Bank of Clovis, New Mexico, has requested that your bank reconsider its policy of declining to hold for safekeeping securities pledged to secure deposits of public funds. It is noted that this matter has been taken up with your board of directors and that it was the unanimous feeling of the members of your board and of your officers that the service should be extended to your member banks, if it could properly be done, and that your board by a unanimous resolution instructed that the question be submitted to the Board of Governors.

"In this connection you advise that all of the Federal Reserve banks except four now extend this service to their member banks and that the Federal Reserve Bank of Kansas City performs this function for member banks in the part of New Mexico which is in the Kansas City district, whereas member banks in the part of New Mexico which is in the Dallas district are not accorded the service.

"The question whether Federal Reserve banks have authority under the law to receive and hold in safekeeping securities pledged by member banks to secure deposits of public funds is one which has been under consideration by the Board and its Counsel on several occasions in the past, and it is noted that the question has also been considered from time to time by Counsel for the Federal Reserve Bank of Dallas. However, a number of Federal Reserve banks have been performing this service for some years past, and it appears that the practice received the approval of the Conference of Governors in December 1929 and of the Conference of Presidents in October 1937. The Board of Governors agrees with the directors and officers of your bank that this is a valuable service, both to the member

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"banks and to public officials. In the circumstances if the Federal Reserve Bank of Dallas should decide to undertake to do so, the Board of Governors will offer no objection to its rendering the service to its member banks under such safeguards as your Counsel may deem advisable."

Approved unanimously.

Letter to Mr. Phil S. Eckert, The Ohio State University, Columbus, Ohio, reading as follows:

"Referring to your letter of September 13, we shall be glad to furnish you with figures of agricultural loans, including loans on livestock but excluding loans on farm land, of State bank members in Ohio, by counties, as of June 30, 1939, provided it is understood that you will not publish or otherwise make the data available in such a way that it would be possible to identify the figures of any individual State bank member. There was only one State bank member on June 30, 1939 in each of 21 Ohio counties, and only two State bank members in each of six other counties. Accordingly, in order to meet the prescribed condition, it would be necessary to combine the figures for such counties either with State bank member figures for other counties or with figures for national banks or insured nonmember banks, so that any figures published or otherwise made available might cover not less than three banks.

"If the data on the basis indicated above will serve your purposes, kindly advise us to that effect and the figures will be furnished to you."

Approved unanimously.

Memorandum dated September 21, 1939, from Mr. Wyatt, General Counsel, submitting a proposed letter to Mr. Walter Gellhorn, Director of the Attorney General's Committee on Administrative Procedure, transmitting a report covering the Board's procedure in promulgating regulations which had been prepared pursuant to an outline prescribed by the Committee. The memorandum stated that Counsel's Office was in

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process of preparing a report covering Part I, Adjudication and Licensing, and Part III, General, of the outline of the Committee referred to above which would be submitted to the Board prior to transmission to the Attorney General's Committee, and recommended that Mr. Wyatt be authorized to transmit the report covering Part II, Rule-Making, to the Attorney General's Committee.

Approved unanimously.

Thereupon the meeting adjourned.

Chester H. Jorrie  
Secretary.

Approved:

W. S. ...  
Chairman.