

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, January 6, 1940, 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 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 4, 1940, were approved unanimously.

Telegrams dated January 5, 1940, to Mr. Young, President of the Federal Reserve Bank of Boston, Messrs. Kimball, Post, Hays and Dillard, Secretaries of the Federal Reserve Banks of New York, Philadelphia, Cleveland and Chicago, respectively, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve 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 January 2, by the Federal Reserve Banks of New York, Cleveland, Chicago, Kansas City, Dallas and San Francisco on January

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4, and by the Federal Reserve Banks of Boston and Philadelphia on January 5, 1940, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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

"In accordance with the request contained in your letter of January 2, 1940, the Board of Governors approves increases, effective January 1, 1940, in the salaries of your two Alternate Assistant Federal Reserve Agents, as follows:

Norman C. Cooper from \$3,500 to \$3,600.

Robert W. Bullock from \$3,200 to \$3,300."

Approved unanimously.

Letter dated January 5, 1940, to the Federal Deposit Insurance Corporation, reading as follows:

"Pursuant to the provisions of section 12B of the Federal Reserve Act, as amended, the Board of Governors of the Federal Reserve System hereby certifies that the 'Bloomfield State Bank', Bloomfield, Indiana, became a member of the Federal Reserve System on January 4, 1940, and is now a member of the System. The Board of Governors of the Federal Reserve System further hereby certifies that, in connection with the admission of such bank to membership in the Federal Reserve System, consideration was given to the following factors enumerated in subsection (g) of section 12B of the Federal Reserve Act:

1. The financial history and condition of the bank,
2. The adequacy of its capital structure,
3. Its future earnings prospects,
4. The general character of its management,
5. The convenience and needs of the community to be served by the bank, and
6. Whether or not its corporate powers are consistent with the purposes of section 12B of the Federal Reserve Act."

Approved unanimously.

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Letter to Mr. Day, President of the Federal Reserve Bank of San Francisco, reading as follows:

"The Board's letter R-577 of December 14, 1939 requested that, on the next call date, each State bank member be asked to report on form F.R. 105-i the total amount of retail installment paper held by it on the call date. As indicated on the schedule, such information is being collected for the use of the Bureau of the Census as part of the 16th decennial census of the United States.

"We have now been informed that the Bureau of the Census would like to have these statistics broken down by selected cities, in addition to totals for each State. In order to do this, it is necessary to obtain supplementary data from State bank members operating out-of-town branches. Accordingly, it will be appreciated if you will request the banks named below to complete the enclosed supplementary schedules (form F.R. 105-i) in addition to furnishing the schedule previously requested showing the amount of retail installment paper held by the bank as a whole.

California Bank, Los Angeles, California

Supplementary schedule showing the amount of retail installment paper held by the head office of the bank and its Los Angeles branches, i.e., exclusive of the amount held by out-of-town branches.

American Trust Company, San Francisco, California

Supplementary schedules showing the amount of retail installment paper held by --

1. The head office of the bank and its San Francisco branches, i.e., exclusive of the amount held by out-of-town branches;
2. The branches located in Berkeley, California;
3. The branches located in Oakland, California;
4. The branch located in Sacramento, California.

"The supplementary schedules should be prepared in triplicate, one copy to be retained by the member bank and two to be returned to your bank. One of the completed copies should, in turn, be forwarded by your bank to the Board."

Approved unanimously, together with similar letters to the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta and Chicago.

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Memorandum dated January 4, 1940, from Mr. Morrill recommending approval of the agreement set forth in the following letter to Mr. Willis M. Boling, to be executed effective January 8, 1940, permitting Mr. Boling to operate the barber shop in the Board's building under substantially the same terms as contained in the agreement with Mr. Vendemia, whose contract was terminated at his request at the close of business January 5, 1940:

"In accordance with the arrangements worked out between you and Mr. Spurney, the Board agrees to permit you to manage and operate the barber shop in its building under the following conditions:

"The Board will furnish the permanent equipment such as barber chairs, mirrors, cabinets, wash bowls, side chairs, clothes hooks, cash register and other such equipment as may in its judgment be required. All other necessary equipment, including tools, linen, soaps, supplies and other similar items, will be furnished by you.

"Ten per cent of the gross receipts from operations and sales will be paid to the Board by you as a rental or concession fee. An accounting of receipts and payment of rental fee shall be made to the Board weekly. A review will be made at the end of the first 90 days of operations after the date of this letter to determine whether such payment is equitable and, if not, with the view of making any adjustment in the amount of subsequent payments that may be satisfactory to you and to the Board.

"You will furnish as many barbers, who shall be competent and satisfactory to the Board, as may be required to handle the business adequately, and you will have at least one qualified barber available for duty in the barber shop at all times during the regular hours of service. You shall employ and have full supervision over one bootblack who shall be competent and satisfactory to the Board and who is to be permitted to shine shoes in the offices of the building. You shall be permitted to sell articles and supplies of a

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"nature sold in barber shops at reasonable prices.

"You will be responsible for the payment of all expenses, including the salaries of your employees and laundry charges, in connection with the operation of the barber shop.

"The hours of service will be fixed by agreement between you and the Board's representative, and shall be posted in the barber shop where they can be seen by patrons.

"Service will not be available to the general public.

"The cleaning of the barber shop, other than the washing of windows, waxing of the linoleum floors, and the polishing of window bronze, shall be performed by your employees.

"You will pay the cost of the telephone service in the barber shop as shown by bills submitted to you monthly by the Board and will also pay for servicing of the cash register.

"Your relationship with the Board will be that of an independent contractor, and you will save and hold the Board, its members, officers and employees harmless from all claims for injuries to any person and damages to any property arising out of or resulting in any way from the performance of this agreement. You will obtain and keep in force at all times a public liability insurance policy covering the barber shop with limits of \$50,000/\$300,000. You will obtain and keep in force a workmen's compensation insurance policy. Both such policies shall be satisfactory to the Board's representative. You will furnish the Board with certificates showing that such insurance has been effected.

"You and any other barber or barbers operating in the barber shop shall be licensed to do barber work in accordance with the laws, rules and regulations of the Government of the District of Columbia and you shall be subjected to all the rules and regulations of the District of Columbia Health Department for the maintenance of a clean and sanitary shop. You shall also pay all fees and taxes required by the Government of the District of Columbia for permits, licenses, etc., in connection with the operation of this barber shop.

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"This agreement is to become effective at the start of business on January 8, 1940, and may be terminated at the request of you or of the Board's representative on thirty day's written notice.

"Kindly advise in writing whether you agree to assume the responsibility of operating the barber shop in the Federal Reserve building under the conditions stated above."

Approved unanimously.

Chester Morrie

Secretary.

Approved:

W. S. ...

Chairman.