

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, October 12, 1940, at 11:00 a.m.

PRESENT: 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 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 October 11, 1940, were approved unanimously.

Telegram to Mr. Hays, Secretary of the Federal Reserve Bank of Cleveland, stating that the Board of Governors approves for the Cleveland Bank, effective as of October 12, 1940, the following rates on industrial advances under section 13b of the Federal Reserve Act:

"Advances direct to industrial or commercial organizations - - - - -	3½% to 5%
"Advances to financing institutions:	
On portion for which institution is obligated - - - - -	3%
On remaining portion - - - - -	3½%"

The telegram also stated that the Board approves the establishment by the Bank without change of the other rates of discount and purchase in the Bank's existing schedule, advice of which was contained in Mr. Hay's telegram of October 10, 1940.

Approved unanimously.

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Letter to Mr. Wood, Federal Reserve Agent at the Federal Reserve Bank of Chicago, reading as follows:

"Referring to Mr. Young's letter of October 5, 1940, the Board approves the payment of salary to Mr. W. R. Diercks, Alternate Assistant Federal Reserve Agent, at the rate of \$8,000 per annum, which is \$500 in excess of the maximum provided in the Personnel Classification Plan for 'Chief Examiner', the position to which Mr. Diercks is regularly assigned when not engaged in the duties of Alternate Assistant Federal Reserve Agent. Please advise the Board the effective date of the change in salary paid to Mr. Diercks."

Approved unanimously.

Telegram to Mr. Swanson, Vice President of the Federal Reserve Bank of Minneapolis, reading as follows:

"It is opinion of Board that Clayton Act does not prohibit service of director of member bank as trustee of mutual savings bank having no capital stock even if such savings bank is a member bank."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrill
Secretary.

Approved:

Ms. Symons
Member.