

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, October 31, 1940, at 11:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Draper
Mr. Davis

Mr. Morrill, 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 October 30, 1940, were approved unanimously.

Memorandum dated October 30, 1940, from Mr. Nelson, Assistant Secretary, recommending, for the reasons stated in the memorandum (1) that Richard E. Hall, Jr., chauffeur, be promoted to the position of clerk in the office of the Building Manager for the period of Thomas B. Handley's absence on military leave and that Mr. Hall's salary be increased from \$1,320 to \$1,500 per annum, effective November 16, 1940; (2) that Calvin W. Spargo, porter, be promoted to the position of chauffeur for the temporary period of Mr. Hall's assignment to other duties and that Mr. Spargo's salary be increased from \$1,200 to \$1,260, effective November 16, 1940; and, (3) that William Hyde be appointed as a porter on a temporary basis, with

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salary at the rate of \$1,080 per annum, effective as of the date upon which he enters upon the performance of his duties, his service being subject to termination at any time by reason of the return of the employees from military service.

Approved unanimously.

Memorandum dated October 29, 1940, from Mr. Paulger, Chief of the Division of Examinations, recommending that Louis Zidek, a stenographer in the Office of the Secretary who on September 6, 1940 was temporarily assigned to the Division of Examinations as an Assistant Federal Reserve Examiner, be transferred permanently to that Division, that he be designated as an Assistant Federal Reserve Examiner, with official headquarters at Washington, D. C., and that his salary be increased to the rate of \$1,620 per annum, effective November 1, 1940.

In accordance with the above recommendation Mr. Zidek was appointed an examiner to examine Federal Reserve Banks, member banks of the Federal Reserve System, and corporations operating under the provisions of Sections 25 and 25(a) of the Federal Reserve Act, for all purposes of the Federal Reserve Act and of all other acts of Congress pertaining to examinations made by, for, or under the direction of the Board of Governors of the Federal Reserve System, was designated as an Assistant Federal Reserve Examiner, and his transfer to the Division of Examinations on a permanent basis with salary at the rate of \$1,620 per annum was approved, all effective as of November 1, 1940.

Letter to Mr. Fleming, President of the Federal Reserve Bank of Cleveland, reading as follows:

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"Reference is made to your October 23 letter stating that there are a few employees of the Federal Reserve Bank of Cleveland whose services are of limited value because of physical or mental infirmities and inquiring whether the Board of Governors would view favorably a request for authority to pay to such employees who have been with the Bank for a period of twenty years or more a dismissal wage in an amount not to exceed the salary received during the preceding twelve months.

"As you know, in accordance with the Board's request, the Chairman of the Presidents' Conference placed on the program for discussion at the December 12, 1939, meeting of the Presidents' Conference a letter of the Board of Governors, R-566, and enclosures, concerning separation allowances and special contributions to the Retirement System, and the Presidents' Conference appointed a committee consisting of Mr. Sinclair, Chairman, yourself and Mr. Parker to study the subject and confer thereon with members of the Board of Governors. Under the circumstances the Board does not think it desirable to make any general modifications in the authority heretofore given to the Federal Reserve Banks to pay separation allowances pending receipt of the report of this committee. The Board is prepared, however, to act upon any specific recommendation that any Federal Reserve Bank may wish to make in regard to a particular employee."

Approved unanimously.

Letter to Honorable Breckinridge Long, Assistant Secretary of State, reading as follows:

"Reference is made to your letter of October 23 addressed to Chairman Eccles and the enclosed memorandum concerning the exchange of publications with the Italian Central Institute of Statistics.

"I am pleased to inform you that any arrangement which you may wish to make through the American Embassy in Rome for the receipt and storage of the several publications which we receive on an exchange basis from the Central Institute of Statistics, and for the proration of reasonable storage charges, will be acceptable to the Board. The Board, on its part, is prepared to send copies of its Annual Report and of the Federal Reserve Bulletin addressed

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"to the Institute in care of the International Exchange Service, Smithsonian Institution, Washington, D. C., to be held until such time as they can be transferred to Rome. We would also be glad to supply those recent issues which the Institute may have failed to receive."

Approved unanimously.

Thereupon the meeting adjourned.

Orestes Morier

Secretary.

Approved:

W. C. C. C.

Chairman.