

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, November 29, 1940, at 2:15 p.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. Davis

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

The action stated with respect to each of the matters herein-after referred to was taken by the Board:

Telegrams to Messrs. Sanford and Post, Secretaries of the Federal Reserve Banks of New York and Philadelphia, respectively, Mr. Leach, President of the Federal Reserve Bank of Richmond, Mr. McLarin, First Vice President of the Federal Reserve Bank of Atlanta, 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. Stroud, First Vice 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 November 26, by the Federal Reserve Banks of New York, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, and Dallas on November 28, 1940, and by the Federal Reserve Banks of Philadelphia and Kansas City today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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Memorandum dated November 22, 1940, from Mr. Smead, Chief of the Division of Bank Operations, recommending, for the reason stated in the memorandum, that the following increases be made in salaries of employees in the Division of Bank Operations, effective as of December 1, 1940:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Boothe, Gardner L. II	Technical Assistant	\$4,200	\$6,000
Kennedy, David M.	Technical Assistant	4,300	4,700
Stone, Harry B.	Clerk	2,700	2,800
Walker, F. A.	Clerk	2,700	2,800
Sherfy, R. E.	Clerk	2,400	2,500
Ontrich, Neva E.	Senior Stenographer	1,680	1,740

The Board's Personnel Committee recommended approval of the above recommendations with the understanding that the Secretary's Office would address a letter to Mr. Boothe making it clear that his salary increase was related to his present responsibilities in the program relating to the participation of small business concerns in the defense program and that following the completion of this work his salary would be adjusted to an amount commensurate with the duties of the position to which he may be assigned.

Approved unanimously.

Memorandum dated November 28, 1940, from Mr. Smead, Chief of the Division of Bank Operations, recommending that, in connection with their end-of-year call reports, State member banks be requested to report the amount of "Personal and Retail Installment Paper" in the

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manner provided in a draft of schedule A.1 attached to the memorandum, it being understood that the Comptroller of the Currency and the Federal Deposit Insurance Corporation are prepared to collect similar data from national banks and insured nonmember banks, respectively, if the Board is willing to make the request of State member banks. The memorandum also stated that if the schedule is approved by the Board, a copy would be sent to the Central Statistical Board in accordance with the established procedure and that it was recommended that Mr. Smead be authorized to make such changes of form in the schedule as the Central Statistical Board may suggest provided the Comptroller of the Currency and the Federal Deposit Insurance Corporation agree to make the same changes.

Approved unanimously.

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

"Reference is made to your letter of November 22 concerning the proposed assumption of the deposit liability of the American National Bank of Santa Monica, Santa Monica, California, by the California Bank, Los Angeles, California.

"It is understood that the proposed transaction has been arranged to take care of a problem situation and that the Federal Deposit Insurance Corporation will provide the national bank with sufficient cash funds so that the deposits to be assumed by the California Bank may be offset by acceptable assets. It is understood, also, that the deposits of the national bank are to be transferred to the Santa Monica branch of the California Bank and that the transaction, therefore, will not involve the establishment of a new branch.

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"In view of the comparative size of the two institutions and the character of the assets to be acquired, it does not appear that the transaction will result in such a change in the general character of the business of, or the scope of corporate powers exercised by, the California Bank as to come within the scope of condition of membership numbered 1. In view of that fact and the circumstances surrounding the transaction, the Board will interpose no objection to the proposed absorption."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

Fraser
Vice Chairman.