

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, January 17, 1941, 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 16, 1941, were approved unanimously.

Telegrams to Messrs. Sanford, 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, 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 14, by the Federal Reserve Banks of New York, Cleveland, Chicago, Kansas City, and San Francisco on January 16, 1941, and by the Federal Reserve Bank of Philadelphia today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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Memorandum dated January 11, 1941, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, for the reasons stated in the memorandum, that the temporary appointment of Paul G. Hermsberg as an associate economist in the Division of Research and Statistics, be extended for an additional period of not to exceed six months from January 31, 1941, with no change in his present salary at the rate of \$400 per month.

Approved unanimously.

Letter to Mr. Neely, Chairman of the Federal Reserve Bank of Atlanta, reading as follows:

"In accordance with the request contained in your letter of January 11, 1941, the Board of Governors approves the appointment of Mr. D. E. Moncrief as Assistant Federal Reserve Agent at your Bank at his present salary of \$4,000 per annum, effective as of today's date, with the understanding that Mr. Moncrief will be placed upon the Agent's payroll and will be solely responsible to you, or, during a vacancy in the office of Agent, to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties as Assistant Federal Reserve Agent he may, with the approval of the Agent and the President, perform such work for the Bank as will not be inconsistent with his duties as Assistant Federal Reserve Agent.

"Mr. Moncrief should execute the usual oath of office and surety bond in the amount of \$10,000, and he should not enter upon the performance of his duties as Assistant Federal Reserve Agent until the bond has been examined by your Counsel to determine whether its execution complies fully with the rules printed on the reverse side of form of bond 182, following which the bond should be forwarded to the Board promptly for approval.

"The above appointment is approved with the understanding that Mr. J. R. McCravey, Jr. will resign as Assistant Federal Reserve Agent effective as of the date Mr.

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"Moncrief qualifies as such. Please forward this resignation to the Board promptly after the receipt thereof in order that an appropriate letter may be written to the bonding company involved releasing it from liability on the bond executed by Mr. McCravey as Assistant Federal Reserve Agent."

Approved unanimously.

Letter to Mr. Parker, President of the Federal Reserve Bank of Atlanta, reading as follows:

"Referring to your letter of January 10, 1941, the Board of Governors approves the payment of a salary at the rate of \$4,600 per annum, as fixed by your Board of Directors, to Mr. J. R. McCravey, Jr., Assistant Vice President of your Bank, for the period January 10, 1941, through May 31, 1941."

Approved unanimously.

Memorandum dated January 13, 1941, from Mr. Morrill, Secretary, submitting for approval by the Board drafts of letters to the regular representative members of the Federal Open Market Committee and, through Mr. Rouse, to Mr. Harrison, transmitting drafts of entries for the policy record covering actions taken by the Federal Open Market Committee during 1940. The memorandum stated that after any comments or suggestions from the representative members of the Federal Open Market Committee had been received, the entries would be placed in final form and submitted to the Board for approval.

The drafts of letters were approved unanimously.

Telegram to Mr. Leach, President of the Federal Reserve Bank

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of Richmond, reading as follows:

"In view of conditions set forth in your January 11, 1941, letter and your telegram of January 15, Board will interpose no objection to the expenditure of an amount not to exceed \$407,000 for the erection of a building on the lot recently purchased in Charlotte to house the Charlotte branch, with the understanding that the cost of the building proper, exclusive of the cost of the vaults, permanent equipment, furnishings and fixtures, shall not exceed the \$250,000 specified in the Federal Reserve Act."

Approved unanimously.

Letter to Mr. C. B. Upham, Deputy Comptroller of the Currency, reading as follows:

"Reference is made to your letter of January 14, 1941, in which you refer to a list of banking groups which you gave Mr. Cagle and request that the list be checked against the tabulation which appeared in the May 1940 issue of the Federal Reserve Bulletin.

"We understand that you desire that we indicate such changes in your list as are necessary to reconcile it with the tabulation of figures above referred to. Because of the number of more or less minor changes involved, we have rewritten your list, without attempting to check the exact corporate titles of the holding company affiliates and the banks, to include the 427 banks with deposits of \$7,173,385,000 which comprised the 41 groups tabulated on page 457 of the May 1940 issue of the Federal Reserve Bulletin. The rewritten list is enclosed herewith and it is hoped that it is what you desire.

"As you know, in many cases available facts are not such as to make it easy to determine whether a given bank should be considered as a part of a group. In this regard the Federal Reserve banks, through their more intimate knowledge of the banks in their respective districts, have been of material assistance. It is understood that the changes which we have made in your list were desired by you only as an aid in the preparation of a list which you will tally with the figures tabulated in the May 1940 issue of the Federal Reserve Bulletin and that in connection

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"with whatever use you desire to make of your list it will not be necessary for you to refer to it in any manner as a list furnished by the Board of Governors. It has been the general policy of the Board in publishing information concerning group banking to not list the banks or the groups involved. Accordingly, it is requested that you treat as confidential the changes which the Board has made in your list of banking groups."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. C. ...
Chairman.