

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, February 5, 1941, at 12:30 p.m.

PRESENT: Mr. Eccles, Chairman
 Mr. Szymczak
 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 February 4, 1941, were approved unanimously.

Memorandum dated February 1, 1941, from Mr. Smead, Chief of the Division of Bank Operations, recommending, for the reasons stated in the memorandum, that Mrs. Helen C. Roome be appointed on a temporary basis for a period of not to exceed six months as a comptometer operator in the Division, with salary at the rate of \$150 per month, effective as of the date upon which she enters upon the performance of her duties.

Approved unanimously.

Letter to Mr. Fry, Vice President of the Federal Reserve Bank of Richmond, reading as follows:

"In accordance with the request contained in your letter of February 3, the Board approves the designation of Mr. J. G. Dickerson, Jr. as a special assistant examiner. It is understood of course that he will not be

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"transferred permanently to examination work without the Board's approval.

Approved unanimously.

Telegram to Mr. Lewis, Chairman of the Federal Reserve Bank of Chicago, reading as follows:

"Referring Dillard's December 19, 1940 letter, Board approves salary at rate of \$10,000 per annum for H. J. Chalfont as Managing Director of Detroit Branch for period ending March 31. Please advise when Chalfont became Managing Director and effective date of increase in salary. Board has discussed with your Bank question of combining all economic, statistical, and research work for Bank into one office and it will defer action on recommendation with respect to C. A. Phillips as Economic Adviser until after your Board has reviewed this matter and reached a decision in regard thereto."

Approved unanimously.

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

"The Board of Governors approves the change in the personnel classification plan of your Bank as requested in your letter of January 31, 1941."

Approved unanimously.

Letter to Mr. Martin, President of the Federal Reserve Bank of St. Louis, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of your Bank as requested in your letter of January 29, 1941."

Approved unanimously.

Letter to Mr. Hays, Vice President of the Federal Reserve Bank

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of Cleveland, reading as follows:

"Referring to your letter of January 31, 1941, the Board of Governors approves the reappointment of Messrs. F. A. Smythe, Daniel R. Davies, Edward C. Folsom, Herman R. Neff, and Dan C. Swander as members of the Industrial Advisory Committee for the Fourth Federal Reserve District to serve for terms of one year each beginning March 1, 1941."

Approved unanimously.

Letter to the Presidents of all Federal Reserve Banks reading as follows:

"With its letter R-566 of December 4, 1939, the Board enclosed a copy of a letter to the Chairman of the Presidents' Conference, to which was attached a proposed circular letter to all Federal Reserve Banks, which was intended to supersede its letter S-7 of June 24, 1937, with respect to separation allowances and special contributions to the Retirement System, and its letter X-9798 of January 21, 1937, with respect to the retention of officers and employees in service after the attainment of age 65. In the letter to the Chairman of the Presidents' Conference the Board stated that before reaching any decision in regard to the proposed circular letter it would appreciate receiving the opinion of the Presidents on the suggested changes and asked that the subject be placed on the program for discussion at the forthcoming Presidents' Conference. It is understood that this matter was considered by the Presidents' Conference and referred to a committee of that Conference for study.

"Recently the Board has had occasion to give some further consideration to this subject and has instructed me to advise you that the special contribution to the Retirement System for the purpose of supplementing retirement allowances authorized by its letter S-7 of June 24, 1937, was for the purpose of preventing in any case in so far as possible and within reasonable limits any hardship or injustice that might result from the payment of retirement allowances that would otherwise be too small. It was not its intention that the retirement allowances of officers or employees voluntarily resigning to accept other employment should be supplemented by contributions on the part of the employing banks.

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"In order that there may be no misunderstanding with respect to this matter, pending a general review of the benefits of the Retirement System, the Board amends its letter S-7 of June 24, 1937, to provide that no special contribution shall be made to the Retirement System for the benefit of, and no separation allowance shall be paid to, an officer or employee who voluntarily resigns to accept other employment."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. S. ...
Chairman.