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A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, April 29, 1941, at 1:00 p.m.

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

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

Mr. Szymczak stated that advice had been received from the Board's architect that he desired to have three months in which to draw up the final plans and specifications for the addition to the Board's building. Mr. McKee suggested that, in view of the work already done, sixty days should be a reasonable time.

Following a statement by Mr. Morrill that Mr. Livingston would be in Washington on Thursday, it was understood that Mr. Morrill would discuss the matter with him at that time.

Mr. Morrill said that Mr. Miller had received a copy of Mr. Delano's letter with respect to the commitment of the Fine Arts Commission to the use of Bedford limestone on buildings back of the frontages on Constitution Avenue but that Mr. Miller did not feel satisfied that the matter was concluded and proposed to talk to Mr. Delano about it. Chairman Eccles suggested that the only further thing the Board could do would be to have Mr. Miller, and anyone else whom he might wish to take with him, meet with the Fine Arts Commission

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for the purpose of presenting the Board's reasons for wishing to use marble for the exterior of the addition.

In accordance with Chairman Eccles' suggestion, Mr. Morrill was requested to call Mr. Miller and advise him that the Board would like to have him contact the Fine Arts Commission and endeavor to get permission for the use of marble in the exterior of the building.

Mr. Morrill was also requested to say to Mr. Miller that the Board would appreciate it very much if he would continue to serve as Consultant in connection with the construction of the addition.

Mr. McKee referred to the action taken at the meeting on April 9, 1941, when it was decided to advise the Presidents of the Federal Reserve Banks at the time of their next Conference in Washington of the Board's plans with respect to the construction of the addition to the present building, and Mr. Szymczak suggested the advisability of discussing the matter with President Sinclair, as Chairman of the Presidents' Conference, with a view to giving him the background for the Board's decision to proceed with the construction. There was general concurrence in Mr. Szymczak's suggestion and Chairman Eccles stated that he would like to advise the Presidents through President Sinclair that the Board was going ahead with the construction of the addition with the approval of the President and with the understanding that the building was being erected for the purpose of eventually providing space for other bank supervisory agencies as well as for any expansion that may occur in the Board's staff.

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It was agreed unanimously that President Sinclair should be informed of the Board's plans in accordance with Chairman Eccles' suggestion.

In connection with a further discussion of the proposed addition to the Board's building, Mr. Morrill suggested that the members of the Board give some thought to the basis upon which the contract for the construction should be let, that is, whether it should be (1) an open competition on a lump sum basis, (2) a competition by a restricted list of bidders on a lump sum basis, or (3) on a management fee basis.

The various bases upon which the contract of construction could be awarded were discussed and it was agreed that Messrs. Szymczak, McKee and Morrill should study the various possibilities with a view to recommending the adoption of a plan which would best serve the Board's purposes in expediting the construction of the addition.

Reference was then made to a memorandum addressed to the Board under date of April 23, 1941, by Mr. Wyatt recommending that the Board rescind its action in approving the appointment of Eleanor F. Boylan as a stenographer in the Office of General Counsel, it having been ascertained before she was advised of the Board's action in approving her appointment that she was to be married on April 14, which fact she had not disclosed when being interviewed in connection with her application. The memorandum also stated that Mr. Wyatt preferred not to take married women into Counsel's Office unless the circumstances were very exceptional. Mr. Ransom had indicated that he would not be willing to

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rescind the Board's action for the reasons stated by Mr. Wyatt, and Mr. Draper had suggested that the matter be discussed at a meeting of the Board.

After a brief discussion, Mr. Wyatt's recommendation was approved unanimously.

Mr. Szymczak called attention to correspondence during the month of April between Mr. Vest, Assistant General Counsel, and Congressman Charles S. Dewey with respect to the latter's suggestion that one of the pending bills relating to industrial loans by Federal Reserve Banks be amended to permit Federal Reserve Banks to accept drafts drawn for industrial purposes and to a statement made in Congressman Dewey's letter of April 23, 1941, that he would be pleased to call at the Board's offices to discuss the situation. Mr. Szymczak stated that Mr. Vest had acknowledged Congressman Dewey's letter and that the question was whether any further action should be taken on the matter.

It was agreed unanimously that no further action need be taken at this time by the Board.

Consideration was then given to a suggestion made by the Chairmen of the Federal Reserve Banks at their Conference at White Sulphur Springs on April 26 that a committee consisting of a member of the Board of Governors, a President of a Federal Reserve Bank, and a Chairman of a Federal Reserve Bank, be appointed to study certain questions submitted by the Board in connection with the Balderston salary report. It was stated that during the Conference the members of the Board

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indicated that they would be willing to appoint a member of the Board to serve as a member of the committee.

It was voted unanimously to appoint Mr. Szymczak to serve as the Board's representative on the committee.

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

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on April 28, 1941, were approved unanimously.

Letter to the board of directors of the "Denmark State Bank", Denmark, Wisconsin, stating that, subject to conditions of membership numbered 1 to 3, inclusive, contained in the Board's Regulation H and the following special condition, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago:

- "4. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$2,202.50 as shown in the report of examination of such bank as of February 24, 1941, made by an examiner for the Federal Reserve Bank of Chicago."

Approved unanimously for transmission through the Federal Reserve Bank of Chicago.

Letter to Mr. Sinclair, Chairman of the Presidents' Conference, reading as follows:

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"This will acknowledge receipt of your letter of April 22 in which you give the names of the Federal Reserve Bank officers appointed by you to serve on the Presidents' Conference Committee on the Destruction of Records Maintained by the Federal Reserve Banks and ask that the Board designate someone from its staff to serve on the Committee.

"Mr. S. R. Carpenter, Assistant Secretary of the Board, has been designated to serve on the Committee, and we have notified Mr. Logan of his designation."

Approved unanimously.

Letter to The Comptroller of the Currency, reading as follows:

"It is respectfully requested that you place an order with the Bureau of Engraving and Printing, supplementing the order requested June 19, 1940, for the printing of Federal reserve notes of the 1934 Series in the amount and denomination stated for the Federal Reserve Bank of Atlanta:

Denomi- nation	Number of sheets	Amount
10	84,000	\$10,080,000"

Approved unanimously.

Letter to Mr. Delano, Comptroller of the Currency, reading as follows:

"The Board has been advised informally that your Office has held that bonds of the Port of New York Authority, New York, and bonds of the Triborough Bridge Authority of New York are not general obligations of any State or of any political subdivision thereof within the meaning of section 5136 U.S.R.S. and that member banks are subject to the limitations and restrictions contained in section 5136 as to dealing in, underwriting, and purchasing such securities.

"We wish to advise the Federal Reserve Banks of the views of your Office on these questions for their information in connection with the examination and supervision of State member banks. Before doing so, however, we would like to verify our understanding as to your position in the matter, and it will be appreciated if you will advise

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"whether our information as to your views on these questions as stated above is correct. Also, if you can conveniently do so, we would like very much to have you furnish us with copies, or a statement of the substance, of the rulings or letters of your Office in which the positions indicated were taken."

Approved unanimously.

Memorandum dated April 26, 1941, from Mr. Wyatt, General Counsel, in which it was stated that the Senate Foreign Relations Committee had appointed a subcommittee consisting of Senators Pepper, Green, and Shipstead to consider the Convention and proposed legislation regarding the Inter-American Bank, that Senator Pepper had arranged for the subcommittee to meet on Thursday, May 1, that Mr. Berle, Assistant Secretary of State, would testify on behalf of the State Department, and that, while he did not contemplate asking the Secretary of the Treasury, the Federal Loan Administrator, the Secretary of State, or any member of the Board to testify, he desired to have present the staff members of the various agencies which helped draft the documents in order that they might answer any questions regarding the technical details of the plan but not to make any formal statement. The memorandum also stated that Mr. Berle was arranging a conference in his office at 4:30 this afternoon and had asked Mr. Wyatt and Mr. Gardner, Senior Economist in the Division of Research and Statistics, to attend, and that, if the Board had no objection, the two members of the staff mentioned would attend the conference and the executive session of the subcommittee of the Senate Committee on Foreign Relations on Thursday, May 1, 1941.

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No objection was raised to the attendance of Messrs. Wyatt and Gardner at the Conference in Mr. Berle's office or the meeting of the subcommittee.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. C. Caudle
Chairman.