

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, May 5, 1941, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. McKee
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 May 2, 1941, were approved unanimously.

Memorandum dated May 2, 1941, from the Personnel Committee, submitting memoranda dated April 28, 1941, from Mr. Wyatt, General Counsel, and recommending that, effective July 1, 1941, the salaries of Miss Charlotte M. Nell and Miss Margaret Muelhaus, stenographers in Counsel's Office, be increased from \$1,740 to \$1,800 per annum and \$1,620 to \$1,740 per annum, respectively.

Approved unanimously.

Memorandum dated May 2, 1941, from the Personnel Committee, submitting a memorandum dated April 29, 1941, from Mr. Goldenweiser, Director of the Division of Research and Statistics, and recommending that, effective May 16, 1941, the salaries of Raymond J. Collier, Junior Economist, and William H. Glazier, Economic Assistant in the Division, be increased from \$2,700 to \$3,000 per annum and from \$2,000 to \$2,300 per annum, respectively.

Approved unanimously.

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

"The Board of Governors approves the changes in the personnel classification plan of your Bank and Branches relating to the establishment of three positions in the National Defense—District Coordinator Department, as requested in your letter of May 1, 1941."

Approved unanimously.

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

"Reference is made to your letter of April 24, 1941, submitting the application of the United States Trust Company of Newark, Newark, New Jersey, for permission to establish a branch in Irvington, New Jersey, in connection with the proposed purchase of assets and assumption of all except capital liabilities of the Chancellor Trust Company, Irvington, New Jersey, a nonmember insured bank.

"In view of your recommendation and the information available, the Board approves the establishment and operation of a branch in Irvington, New Jersey, by the United States Trust Company of Newark, Newark, New Jersey, upon completion of the purchase of assets and assumption of liabilities of the Chancellor Trust Company, Irvington, New Jersey, substantially in accordance with the plans as submitted and provided the assets acquired in the transaction are considered acceptable by an examiner for the Federal Reserve Bank of New York and the value at which the banking premises are acquired is approved by the Reserve Bank. It has been noted that the approval of the State Bank Commissioner has been obtained and it is understood, further, that Counsel to the Reserve Bank is to be satisfied as to the legal aspects of the transaction."

Approved unanimously.

Letter dated May 3, 1941, to Congressman Charles S. Dewey, prepared for the signature of Mr. Vest, Assistant General Counsel, reading as follows:

"In accordance with your suggestion, your letter of April 23, 1941, with regard to your proposal for acceptances

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"by Federal Reserve Banks in connection with industrial loans, has been brought to the attention of the Board.

"The Board feels that the acceptance method of financing would involve difficulties in operation which would make it less practical than the commitment method which is provided in the present law and in the bills S. 877 and H. R. 582. However, I can assure you that if you wish to do so, members of the Board will be glad to discuss the question with you at some future date which is mutually convenient."

Approved unanimously.

Thereupon the meeting adjourned.

R. H. Morrie
Secretary.

Approved:

W. C. C. C.
Chairman.