

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, July 2, 1941, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice 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 hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on July 1, 1941, were approved unanimously.

Letter to Mrs. Frank, Secretary of the Retirement System of the Federal Reserve Banks, reading as follows:

"This is to advise you that the Board of Governors of the Federal Reserve System approves the resolution relative to the Retirement System status of employees who leave the service of an employing bank to render special service to a Government department or agency, which was adopted by the Board of Trustees of the Retirement System on May 6, 1941, as reported in your letter of June 25, 1941.

"It is understood that under the above-mentioned resolution a special additional benefit will be granted only in the case of an employee who has discontinued service for an employing bank for a period in excess of two years, and who otherwise would receive no service credit for service rendered prior to his employment by the Government department or agency in question.

"Copies of this letter are being sent to Mr. W. S. McLarin, Jr., Chairman of the Board of Trustees, to Mr.

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"L. R. Rounds, Chairman of the Retirement Committee, and to each Federal Reserve Bank."

Approved unanimously.

Telegram to Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, reading as follows:

"Retel July 1, Board approves appointment of Lewis E. Stoye as Alternate Assistant Federal Reserve Agent at your Bank at his present salary of \$2,760 per annum, with understanding that Mr. Stoye will be placed upon Agent's payroll and be solely responsible to Agent, or during vacancy in office of Agent to Assistant Federal Reserve Agent, and to Board of Governors for proper performance of duties. When not engaged in performance of duties as Alternate Assistant Federal Reserve Agent, he may, with approval of Agent or Assistant Agent and President, perform such work for Bank as will not be inconsistent with duties as Alternate Assistant Federal Reserve Agent. Mr. Stoye should execute usual oath of office and surety bond in amount of \$10,000 and should not enter upon performance of duties as Alternate Assistant Federal Reserve Agent until bond has been examined by your counsel to determine whether its execution complies fully with rules printed on reverse side of form of bond 182, following which bond should be forwarded to Board promptly for approval."

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Boston, reading as follows:

"Referring to your letter of June 26, 1941, the Board of Governors approves payment of salaries to the following officers for the period July 1, 1941 to April 30, 1942, inclusive, at the rates indicated, which are those fixed by your board of directors:

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<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
Roy A. Van Amringe	Assistant Cashier	\$4,750
Edward R. Murphy	Assistant Cashier	4,500
Ellis G. Hult	Assistant Cashier	9,250
Carl B. Pitman	Assistant Cashier	9,000
John J. Fogg	Auditor	6,000"

Approved unanimously.

Letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"The Board of Governors approves the changes in the personnel classification plans of your Houston and El Paso Branches as requested in your letter of June 27, 1941."

Approved unanimously.

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

"The Board of Governors approves the changes in the personnel classification plan of your Bank and Branches as requested in your letter of June 17, 1941. Approval of the proposed maximum salaries is with the understanding that salaries actually paid will not necessarily be the maximum salaries authorized and are under the control of the Office of Production Management, Defense Contract Service."

Approved unanimously.

Letter to the board of directors of the "McLachlen Banking Corporation", Washington, D. C., stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in

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the Federal Reserve Bank of Richmond.

The letter also contained the following special comment:

"It appears that the bank possesses certain powers which are not being exercised and which are not necessarily required in the conduct of a banking business, such as the power to trade in real estate. Attention is invited to the fact that if the bank desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board of Governors before exercising them. In this connection the Board understands that there has been no change in the scope of the corporate powers exercised by the bank since the date of its application for membership."

Approved unanimously, together with a letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the 'McLachlen Banking Corporation', Washington, D. C., for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution. A copy is also enclosed for your files.

"It will be appreciated if you will forward to the Board a copy of the form of capital debenture which the bank has sold to the Reconstruction Finance Corporation."

Mr. Morrill suggested that the Board authorize the payment of the cost of luncheons served to Messrs. Wood Netherland and J. M. O. Monasterio, Vice Presidents of the Mercantile-Commerce Bank & Trust Company, St. Louis, Missouri, in the Board's dining room today.

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. C. ...
Chairman.