

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, July 28, 1941, at 2:30 p.m.

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

Mr. Morrill, Secretary
Mr. Bethea, 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:

Memorandum dated July 24, 1941, from Mr. Nelson, Assistant Secretary, recommending (1) that Vincent L. Bogart, page, be promoted to the position of supply clerk in the Procurement Section on a temporary basis for an indefinite period and that his salary be increased from \$1,260 to \$1,440 per annum, effective August 1, 1941, and (2) that Sidnor T. Chichester, Jr., be appointed as a page in the Secretary's Office on a temporary basis for an indefinite period, with salary at the rate of \$1,260 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

Memorandum dated July 23, 1941, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, with the concurrence of Mr. Nelson, Assistant Secretary, that Miss Marjorie F. Fakes be transferred from the position of stenographer in the Office of the Secretary to that of clerk-stenographer in the Division of

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Research and Statistics, with no change in her present salary at the rate of \$1,560 per annum, effective as of the date upon which she enters upon the performance of her new duties.

Approved unanimously.

Memorandum dated July 21, 1941, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that, for the reason stated in the memorandum, the temporary appointment of Paul G. Hermberg as an associate economist in the Division, be extended for an additional period of one year from July 31, 1941, with no change in his present salary at the rate of \$400 per month.

Approved unanimously.

Memorandum dated July 22, 1941, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that, for the reason stated in the memorandum, the temporary appointment of Harvey S. Perloff, Junior Economist in the Division, be extended for an additional period of one year beginning October 7, 1941, and that, effective as of the same date, his title be changed to Associate Economist with an increase in salary from the rate of \$3,000 to \$3,800 per annum.

Approved unanimously.

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

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank

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"of New York, as requested in your letter of July 18, 1941."

Approved unanimously.

Letter to "The First National Bank of Winston-Salem", Winston-Salem, North Carolina, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of North Carolina, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"In acting upon your application the Board has taken into consideration the statements contained in your letter of July 11, 1941, to the Federal Reserve Bank of Richmond, that you will select a duly qualified, full-time trust officer whose qualifications will be discussed with the reserve bank before the appointment is made.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously.

Memorandum dated July 25, 1941, from Mr. Morrill to the other Division heads, reading as follows:

"The recent canvass of the Board's personnel to ascertain how many employees would desire to purchase U. S. Treasury Notes, Tax Series A-1943, through having pay roll deductions made each pay day indicates that the number of employees desiring to have payroll deductions made for the

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"purchase of tax notes is insufficient to warrant the broadening of the existing pay roll deduction plan for this purpose. However, for the convenience of those employees who are interested in purchasing tax notes, the Board has made arrangements whereby beginning August 1 the Fiscal Agent will accept applications for the purchase of such notes, when accompanied by remittances either in the form of cash or checks drawn payable to the order of the Treasurer of the United States, and obtain and deliver such notes to the purchaser.

"The forthcoming issue of the Federal Reserve Bulletin will contain detailed information regarding the tax savings plan announced by the Treasury and it is expected that a description of the plan in pamphlet form will be available in a few days. Application forms may be obtained from the Fiscal Agent on and after August 1.

"Please bring this memorandum to the attention of those employees in your division who have indicated that they are interested in purchasing tax notes."

Approved unanimously.

Letter to the Director of the Bureau of the Budget reading as follows:

"Reference is made to your circular letter number 374 dated June 18, 1941, regarding the identification of Government-owned motor vehicles. The Board of Governors of the Federal Reserve System has directed that all motor vehicles owned by the Board bear the official United States Government identification tag and identification shield specified in the above-mentioned letter.

"The Board owns and operates three passenger motor vehicles and one truck, all of which are registered in the District of Columbia."

Approved unanimously.

Memorandum dated July 23, 1941, from Mr. Goldenweiser, Director of the Division of Research and Statistics, transmitting a memorandum from Mr. Hansen, Special Economic Adviser in the Division, dated July 22, 1941, in connection with the work of the Canadian-United States

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Joint Economic Committees and calling particular attention to the following:

1. That Mr. Kindleberger, Associate Economist in the Division who is acting in the capacity of secretary of the United States Committee, is giving a major part of his time to the work of the Committee, and that Mr. Hansen and Mr. Gardner, Senior Economist in the Division, are devoting some time to this work.
2. That it will be necessary for the Board to defray the expenses of such members of the staff as will have to attend meetings of the Committee outside of Washington.

Mr. Hansen's memorandum stated that at the time of his appointment to the Committee, and again when he was designated Chairman of the United States Committee, Mr. Berle, Assistant Secretary of State, had said that he hoped that the research facilities of the Board's Division of Research and Statistics would be available for the work of the Committee. The memorandum also stated that, in establishing the Committee, the Department of State indicated that it intended to provide no separate appropriation of funds either for the employment of a secretariat or for the travel expenses of the Committee members and staff. In this connection, it is understood that the salary and expenses of each of the other members of the United States Committee, namely, Messrs. Batt, White, and Durand, will be paid by the Government agencies with which they are connected, i.e., Office of Production Management, Treasury Department, and Tariff Commission, respectively.

Mr. Goldenweiser's memorandum concluded with the statement that it is his understanding that this work, which is a part of the Board's work in connection with participating in the planning of defense work and post-defense measures, has the approval of the Board and that the necessary assignment of staff time and of expenses is authorized but, in view of the fact that the amount of time absorbed is

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considerable and that there may be substantial traveling expenses, this matter is submitted for the Board's review and approval.

Approved unanimously, with the understanding that if the expense becomes burdensome the matter will be taken up with the State Department.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. ...
Chairman.