

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, October 7, 1941, at 2:45 p.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
Mr. Wyatt, General Counsel

There was submitted a memorandum dated September 19, 1941, from the Personnel Committee suggesting the following for consideration as directors of branches of Federal Reserve Banks. Mr. Szymczak stated that at a later date the Personnel Committee would recommend the reappointment for a further term of the remaining Board appointees to the Branch boards whose terms expire on December 31, 1941.

Francis Henry Bird, Head of the Department of Commerce of the University of Cincinnati, as a Director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland for the term of two years ending December 31, 1943.

Robert Ernest Doherty, President of the Carnegie Institute of Technology, Pittsburgh, Pennsylvania, as a Director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland for the term of two years ending December 31, 1943.

Walter J. Matherly, Dean of the College of Business Administration of the University of Florida, Gainesville, Florida, as a Director of the Jacksonville Branch of the Federal Reserve Bank of Atlanta, for the term of three years ending December 31, 1944.

Wathen Knebelkamp, Superintendent of the Bernheim Distillery, Louisville, Kentucky, as a Director of the

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Louisville Branch of the Federal Reserve Bank of St. Louis for the term of three years ending December 31, 1944.

J. E. Kirshman, Chairman of the Department of Economics of the University of Nebraska, Lincoln, Nebraska, as a Director of the Omaha Branch of the Federal Reserve Bank of Kansas City for the term of three years ending December 31, 1944.

It was pointed out that Messrs. Bird, Doherty, Knebelkamp, and Kirshman would succeed directors who had served six or more years, and that Mr. Matherly would succeed Mr. Gamble who, although he had not yet served six years, was in financial difficulties which raised the question whether he was eligible for reappointment by the Board in view of the Board's regulations which provide that all directors of branches of Federal Reserve Banks shall be persons who have ability to meet their financial obligations.

In this connection, reference was made to some of the information contained in the Board's files with respect to Mr. Gamble's financial situation and it was agreed that he should not be reappointed and that at a convenient time Mr. Szymczak should advise him accordingly in such manner as in the circumstances appeared to be appropriate.

It was also agreed that in the event it was found their services were available, appointments as directors of the respective branches should be tendered to Messrs. Bird, Doherty and Matherly, and Mr. Szymczak was requested to determine first, through the Chairmen of the respective Federal Reserve Banks, whether they would accept appointment if tendered.

It was understood that Mr. Szymczak would make further investigations as to

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possible Board appointees as directors of the Louisville and Omaha Branches, it being understood that if the Personnel Committee had no other suggestions to make with respect to an appointee at the Omaha Branch the members of the Board present would be agreeable to having Mr. Szymczak ascertain, through the Chairman of the Federal Reserve Bank of Kansas City, whether Mr. Kirshman would accept appointment as a director of the Omaha Branch if tendered.

It was also understood that the Personnel Committee would make a recommendation to the Board with respect to the appointment of a Class C Director of the Federal Reserve Bank of Kansas City for the term of three years ending December 31, 1944, to succeed J. J. Thomas.

Messrs. Bethea, Carpenter, Clayton, and Wyatt withdrew from the meeting at this point, and the Board went into Executive Session.

There was presented a memorandum dated September 19, 1941, from Mr. Wyatt, recommending that the following increases be made in the salaries of members of the staff of the Legal Division:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Alfred K. Cherry	Assistant Counsel	\$5,750	\$6,200
Howard H. Hackley	Assistant Counsel	4,200	4,800
Frederic Solomon	Assistant Counsel	5,100	5,400

There was also submitted a memorandum dated September 5, 1941, from Mr. Parry, Chief of the Division of Security Loans, recommending the following increases in the salaries of members of his Division:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Bonnar Brown	Special Assistant	\$3,900	\$4,500

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<u>Name:</u> (Continued)	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Lewis N. Dembitz	Special Assistant	\$3,900	\$4,500
Florence C. O'Hare	Secretary to Mr. Parry	2,300	2,500
Catherine A. Hall	Economic Assistant	2,200	2,300
Catherine L. Schmidt	Secretary	1,800	2,000

There was attached to Mr. Parry's memorandum a memorandum dated September 6, 1941, from Mr. Ransom, stating that he approved the proposed increases in salaries in the Division of Security Loans, and that, in addition, he would recommend that the salary of Mr. Parry as Chief of the Division be increased from the rate of \$10,000 to \$12,000 per annum.

The salary increases were approved as recommended, all effective as of October 16, 1941.

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 October 6, 1941, were approved unanimously.

Letter to Mr. Kennel, Federal Reserve Bank of Boston, reading as follows:

"This is in reply to the inquiry from Greenough, Lyman & Cross, 15 Westminster Street, Providence, Rhode Island, regarding cooking stoves and ranges, which you left with Mr. Bonnar Brown on September 26th. The problem raised is in reference to the definition of 'heating surfaces'.

"The flat iron top of the fire box of a combination gas-wood or gas-oil stove is considered to be one heating

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"surface. The fact that there are one or more lids on the top of the fire box or that one or more oil burning units have been installed in the fire box does not increase the number of heating surfaces."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. Steeles
Chairman.