A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, January 12, 1942, at 11:30 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 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 January 10, 1942, were approved unanimously.

Letter to Mr. Hays, Vice President and Secretary of the Federal Reserve Bank of Cleveland, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of your Bank as requested in your letter of January 2, 1942."

Approved unanimously.

Letter to Mr. Meyer, Assistant Cashier of the Federal Reserve Bank of Chicago, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of your Bank as requested in your letter of December 30, 1941.

"The Board of Governors also approves, effective January 1, 1942, in accordance with the request contained
"In your letter, the payment of salaries in excess of maximum annual salaries established in the personnel classification plan of your Bank as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Position</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Mall</td>
<td>Bond</td>
<td>Custodian</td>
<td>$4,240</td>
</tr>
<tr>
<td>George T. Tucker</td>
<td>Collection</td>
<td>General Clerk</td>
<td>2,700</td>
</tr>
</tbody>
</table>

"In reviewing the above changes, it was noted that certain circumstances were set forth with reference to the payment of salaries in excess of personnel classification plan maximums, but that no information was submitted regarding the establishment of the position of Chief, Research and Statistics Department. It would therefore be appreciated if you will forward to the Board for its records similar information regarding the establishment of this position."

Approved unanimously.

Letter to the Presidents of all Federal Reserve Banks, reading as follows:

"Several of the Federal Reserve Banks have forwarded to the Board letters received from bankers in their respective districts reporting instances of depositors withdrawing funds from their savings accounts because of rumors to the effect that the Government intends to confiscate all the savings deposits. Although the press has published denials of such rumors by the Secretary of the Treasury, the Department has advised us informally that it has not issued a formal press release on the subject. The Treasury has, however, replied individually to inquiries which it has received.

"For your information in this connection, there are enclosed copies of a telegram dated December 17, 1941 and two letters dated January 8, 1942, addressed to a State banking commissioner, a bank, and a savings and loan association, respectively, by the Under Secretary of the Treasury, emphatically denying that there are any foundations whatever for such rumors."

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of
1/12/42

Chicago, reading as follows:

"This will acknowledge receipt of your letter of January 3, 1942, enclosing a resolution adopted by your Executive Committee on December 31, 1941, with respect to discussing with the Treasury Department the matter of providing the same facilities for the wire transfer of long-term Government securities as are now provided for short-term securities.

"We discussed this matter informally with Mr. Broughton, Commissioner of the Public Debt, Treasury Department, who stated that he did not think the Treasury would be inclined to go along on any such plan at this time. He seemed to feel that the market was well adjusted to the present procedure and that the suggested change would involve a considerable amount of work and expense, including the printing of large additional quantities of United States securities. He also referred to the fact that the plan would reduce very substantially the revenues of the Post Office Department. You will recall that the recommendations of the Federal Advisory Council to the Board of Governors of the Federal Reserve System, dated February 14, 1939, answered 'No' to the question as to whether the wire transfer system should be extended to include Government bonds.

"In view of the above and since all Federal Reserve Banks would be interested in this proposal, it may be that after you have discussed it with the Federal Reserve Bank of New York you may think it advisable to take it up with the Presidents' Conference before approaching the Treasury Department. The Board will appreciate it if you will keep it advised of developments in this respect.

"About a year and a half ago, Mr. Bell sent to the Board a suggested plan for meeting the situation covered by the resolution of your Executive Committee which was prepared by a Mr. Fairbanks. A copy of the correspondence in connection with this matter is enclosed for your information in order that you may be aware of its contents in case you should take the matter up with the Treasury Department and they should refer to the Fairbanks plan."

Approved unanimously.

Letter prepared for the signature of Chairman Eccles to Mr. Harold D. Smith, Director of the Budget, reading as follows:
"This acknowledges receipt of your letter of January 3, 1942, with regard to suspension of publication of statistical series for the duration of the war. I have referred this matter to the Board's Division of Research and Statistics, which will communicate with Mr. Rice with respect to statistics published by the Board.

"Mr. Woodlief Thomas, Assistant Director of the Division, is authorized to represent the Board in any conferences concerning this matter."

Approved unanimously.

Mr. Szymczak recommended that the Board authorize the reimbursement of Dr. John C. Baker, Associate Dean of Harvard University, in the amount of $42.07 to cover transportation expenses incurred by him on a trip to Washington for an interview in connection with his possible employment by the Board.

Approved unanimously.

Thereupon the meeting adjourned.

Chairman.

 Approved: 

 Secretary.