

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, February 16, 1942, at 2:30 p.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 February 12, 1942, were approved unanimously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on February 13 and 14, 1942, were approved and the actions recorded therein were ratified unanimously.

Bonds each in the amount of \$10,000, executed under date of February 11, 1942, by Clayton E. Tillander and Walter S. Ferrian as Assistant Federal Reserve Agent and Alternate Assistant Federal Reserve Agent, respectively, at the Federal Reserve Bank of Minneapolis.

Approved unanimously.

Memorandum dated February 16, 1942, from Mr. Foulk, Fiscal Agent, recommending that the salary of Miss Josephine E. Lally,

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Deputy Fiscal Agent, be increased from \$2,600 to \$2,900 per annum.

Approved unanimously, effective February 16, 1942.

Letter to Mr. W. K. Shaw, Vice President and Treasurer of the Turner Construction Company, New York, New York, reading as follows:

"Very careful consideration has been given to the request contained in your letter of February 7 with respect to Mr. F. E. Spurney in the light of all the circumstances. In order to grant Mr. Spurney the leave of absence which you suggest, it will be necessary to reorganize our staff on a temporary basis for the duration of Mr. Spurney's absence, and, should some unforeseen circumstance develop growing out of the Washington situation, we might find it necessary to communicate with you at a later date with a view to bringing Mr. Spurney back to Washington. However, the Board has authorized me to say to you that, in view of the need which you indicate for his services in defense projects, Mr. Spurney will be granted the proposed leave of absence without pay effective when he leaves the Board's service until the end of this calendar year."

Approved unanimously.

Telegram to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"Referring your February 16 wire, Board of Governors will interpose no objection to purchase by your Bank, at a price of \$30,000, of vacant lot adjoining Jacksonville Branch, which fronts 52-1/2 feet on Hogan Street and runs back 90 feet to an alley."

Approved unanimously.

Letter to Mr. Davis, President of the Federal Reserve Bank of St. Louis, reading as follows:

"Reference is made to your letter of January 26 to Governor Ransom enclosing a memorandum regarding the par

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"clearance problem, in connection with recent changes in the Rules and Regulations of the Nashville and Memphis Clearing House Associations, and to Mr. Hitt's letter of February 3 enclosing a letter regarding the par collection of checks received from Mr. B. A. Lynch, President of the Farmers Bank and Trust Company, Blytheville, Arkansas.

"In accordance with your request, the memorandum received from you was turned over to the Division of Bank Operations for analysis. This memorandum is returned herewith, as requested, together with a memorandum on the subject prepared in the Division of Bank Operations.

"You will note the statement in our memorandum that in the absence of precise information in regard to the volume of nonpar items involved, tentative conclusions only can be drawn. The conclusion of the writer of this memorandum apparently is that the change in the Rules and Regulations of the Clearing House Associations may have been 'the straw that broke the camel's back', but that the real reason for the action of the Paris banks probably was the desire to charge exchange on all items received by them through the mail."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie

Secretary.

Approved:

W. A. C. C. C.

Chairman.