

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, September 26, 1942, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. McKee  
Mr. Draper  
Mr. Evans

Mr. Morrill, 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 September 25, 1942, were approved unanimously.

Memorandum dated September 24, 1942, from Mr. Morrill, recommending that Miss Dorothy Newquist be appointed as a clerk in the Secretary's Office, with salary at the rate of \$1,380 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

Letter to Mr. Fleming, President of the Federal Reserve Bank of Cleveland, reading as follows:

"As requested in your letter of September 15, 1942 the Board of Governors approves the payment of salary at the rate of \$6,000 per annum to Mr. Alfred H. Laning,

9/26/42

-2-

"Assistant Vice President, for the period ending April 30, 1943."

Approved unanimously.

Letter to Mr. Schelling, Assistant Federal Reserve Agent at the Federal Reserve Bank of Chicago, reading as follows:

"In his letter of September 18, 1942, President Young stated that you concurred in the recommendation that Charles J. Scanlon be appointed Alternate Assistant Federal Reserve Agent at the Head Office, and that August J. Pettke be designated Federal Reserve Agent's Representative at the Detroit Branch.

"In accordance with the recommendation the Board of Governors approves the appointment of Mr. Charles J. Scanlon as an Alternate Assistant Federal Reserve Agent at the Head Office at his present salary of \$3,200 per annum, and the designation of Mr. August J. Pettke as Federal Reserve Agent's Representative at the Detroit Branch at his present salary of \$3,420 per annum, effective as of the dates they assume their duties, with the understanding that they will be placed upon the Federal Reserve Agent's pay roll and will be solely responsible to him, or during a vacancy in the office of Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of their duties. When not engaged in the performance of their duties as Alternate Assistant Federal Reserve Agent and as Federal Reserve Agent's Representative they may, with the approval of the Federal Reserve Agent, or, during a vacancy in the office of the Agent, of the Assistant Federal Reserve Agent, and the President, perform such work for the Bank as will not be inconsistent with their duties as representatives of the Federal Reserve Agent.

"It is noted that appropriate surety bonds will be obtained and the instructions contained in Loose Leaf Service #9087 will be followed.

"Please advise the date that Mr. Scanlon and Mr. Pettke assume their duties as Alternate Assistant Federal Reserve Agent at the Head Office and as Federal Reserve Agent's Representative at the Detroit Branch respectively."

Approved unanimously.

9/26/42

-3-

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

"In accordance with the request contained in your letter of September 17, 1942, the Board approves the appointment of Philip M. Stone as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

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

"In connection with the execution of guarantee agreements on behalf of the United States Maritime Commission pursuant to Executive Order No. 9112, the Board has received from the Maritime Commission a letter addressed to all Federal Reserve Banks, dated September 22, 1942, signed by Mr. R. E. Anderson, Director of Finance, designating Mr. W. G. Clark, Assistant Regional Construction Auditor, Pacific Region, as an alternate to act in behalf of Mr. S. R. Kirby, Jr. and Mr. W. H. Quarg, as a representative of the Maritime Commission pursuant to the Commission's instructions to all Federal Reserve Banks of May 7, 1942, and stating that Mr. George Mavor is no longer authorized to act as a representative of the Commission relative to Regulation V loans.

"In accordance with the request of the Maritime Commission, a copy of the above-mentioned letter is being transmitted herewith."

Approved unanimously.

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

"For your information there is enclosed a copy of a letter which the Board has received from the Maritime Commission, dated September 22, 1942, signed by R. E. Anderson, Director of Finance, suggesting that we call your attention

9/26/42

-4-

"to the following questions which have arisen in connection with the various applications received from financing institutions for Regulation V loans:

1. Dividend policy of the borrower.
2. Executive salary policy of the borrower.
3. Tax liability policy of the borrower.
4. Financial arrangements for additional business."

Approved unanimously.

Memorandum dated September 24, 1942, from Mr. Leonard, Director of the Division of Personnel Administration, reading as follows:

"The Washington Post has announced a program under which it will give a \$100 War Bond each month to the Federal employee who makes the most constructive suggestion for the improvement of the Federal service, and has suggested that each department and independent agency set up a committee to consider the suggestions of their employees and to nominate one employee each month for the Post award.

"The Committee established by The Post to select the winner from the nominees is composed of Harold D. Smith, Director of the Budget Bureau, William H. McReynolds, the President's administrative assistant on personnel, and Congressman Ramspeck.

"In order that the Board's employees may participate, it is recommended that a committee be set up to consider the suggestions. It is further recommended that the committee's proposed nominations be submitted to the Board's Personnel Committee.

"It is believed that the committee should include a representative of the employees, an administrative officer, and a representative of the Division of Personnel Administration. It is suggested, therefore, that the committee might consist of the following:

An employee selected by the Committee of Employees.

L. P. Bethea

R. F. Leonard

"Attached is a draft of a proposed letter to The Washington Post. Attached also as a matter of interest is a circular issued by the Treasury Department."

Approved unanimously.

9/26/42

-5-

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. C. ...  
Chairman.