

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, January 16, 1943, 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. 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 15, 1943, were approved unanimously.

Memorandum dated January 11, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Miss Helen Gervais as a clerk-stenographer in that Division, to become effective as of the close of business on February 1, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Memorandum dated January 14, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Miss Eleanor C. Giovanetti as a clerk-stenographer in that Division, to become effective as of the close of business on January 25, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

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Letter to Mr. Milo Perkins, Executive Director of the Board of Economic Warfare, reading as follows:

"This is in response to your letter of January 6, addressed to Chairman Eccles, in regard to your desire to use the services of Mr. Lewis N. Dembitz in the staff of your Enemy Branch in the American Embassy at London, England.

"Mr. Dembitz is a very able member of our organization, whose services have been exceptionally valuable in enabling the Board to meet important new responsibilities which have been placed upon it in connection with the War program. Naturally, therefore, this organization regrets that the prospect of losing his services has arisen. However, the Board does not feel that it should interpose any objection to his acceptance of the position which you have in mind for him and therefore I have been requested to advise you that his resignation will be accepted so that he may enter your service."

Approved unanimously.

Letter to Mr. Paddock, President of the Federal Reserve Bank of Boston, reading as follows:

"Receipt is acknowledged of your letter of January 4, 1943, regarding various actions taken by your Board of Directors at the meeting January 4, 1943.

"It has been noted that all of the officers of the Bank, with the exception of the President and First Vice President, whose terms of office are governed by the statutes, were reappointed to serve during the year 1943, and that Mr. Phillips Ketchum likewise was reappointed Associate Counsel.

"It has been noted also that Mr. William D. McRae was reappointed Chief Examiner, and that his salary was fixed subject to the approval of the Board of Governors at \$7,500 per annum, as provided in the Bank's personnel classification plan, which is the same salary heretofore paid him. Since the salary is within the range provided under the personnel classification plan for the position, specific approval of the Board for the salary is not required.

"The Board approves the reappointment of Messrs. Winthrop L. Carter, Carl P. Dennett, Paul A. Draper, Edward M. Graham and Ralph E. Thompson as members of the Industrial Advisory Committee for the First Federal Reserve District to serve for terms of one year each beginning March 1, 1943, in accordance with the action taken by your Board of Directors.

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"It is noted that Mr. Charles E. Spencer, Jr., President of The First National Bank of Boston, was reappointed as a member of the Federal Advisory Council, to represent the First Federal Reserve District for the year 1943."

Approved unanimously.

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

"In accordance with request contained in your letter of January 8, 1943, in which you advise of certain changes in the official staff of your Bank, the Board of Governors approves the payment of salaries as fixed by your Board of Directors for the period January 1, 1943 to March 31, 1943, to the following officers at the rates indicated:

<u>Name</u>	<u>Title</u>	<u>Annual salary</u>
Horace L. Sanford	Assistant Vice President	\$9,500
Daniel J. Liddy	Manager, Foreign Department	6,000
Robert H. Brome	Assistant Counsel and Assistant Secretary	5,500
Harold A. Bilby	Manager, Check Department	7,500

"It is noted that the above officers were appointed for the period until the first meeting of the board of directors in 1944, and that all other officers of the Bank and Branch, except the President and First Vice President, whose terms of office are governed by the statutes, were reappointed for the same period."

Approved unanimously.

Letter to Mr. Dillard, Secretary of the Federal Reserve Bank of Chicago, reading as follows:

"Referring to your letter of January 8, 1943, the Board of Governors approves the reappointment of Messrs. Max Epstein, Edward M. Kerwin, G. Barret Moxley, Walter Harnischfeger, and Martin H. Kennelly, as members of the Industrial Advisory Committee for the Seventh Federal Reserve District to serve for terms of one year each beginning March 1, 1943."

Approved unanimously.

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

"In accordance with the request contained in your letter of January 8, the Board approves the payment by the Federal Reserve Bank of St. Louis of a supplemental contribution to the Retirement System in an amount which will provide an additional allowance sufficient to give Miss Mary E. Tolmie, an employee of your Bank, an immediate retirement allowance of \$720 a year on a life basis. It is understood that this will require a supplemental contribution of approximately \$3,244."

Approved unanimously.

Letter to Mr. Charles W. E. Treadwell, Senior Investigating Assistant, U. S. Army, P. S. D., Philadelphia, Pennsylvania, reading as follows:

"In your letter of December 23, 1942, to Mr. W. B. Pollard, Assistant Chief of the Board's Division of Examinations, you requested that examiners for the Federal Reserve Banks of New York and Philadelphia be instructed to scrutinize, during their examinations of State member banks in the two districts, the accounts of certain individuals and concerns named in the lists submitted. This is to advise you that it will not be practicable for the Board to comply with the request contained in your letter."

Approved unanimously.

Letter to the officer in charge of examinations at each Federal Reserve Bank, reading as follows:

"As you know, the national plan of ration banking approved by the Office of Price Administration will be placed in operation on January 27, 1943. There are being sent to you, under separate cover, copies of The Ration Banking Plan in sufficient number to supply each member of your examining staff with a copy. There are also being sent a supply of the Ration Banking Questionnaire and of the Ration Banking Report form which have been prepared for use in connection with examinations of State member banks.

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"After numerous conferences on the subject, representatives of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board agreed that the use of the questionnaire and a simple report form, at least for the time being, would probably be the most desirable method of handling the necessary investigation in connection with the operation of the plan. The other two agencies are going to use forms substantially the same as the ones developed for our use.

"It will be necessary, of course, to issue instructions to members of the examining staffs of the Federal Reserve Banks. The enclosure is a suggestion for your use and embodies in substance the instructions being issued by the Comptroller of the Currency and the Federal Deposit Insurance Corporation to their examiners.

"The executed questionnaire is for the examiner's use and should be filed with his work papers, and no copy need be forwarded to the Board. The ration banking report should be prepared by the examiner in connection with each examination and a copy transmitted to the Board, which copy is not to be bound in the regular report of examination. No copy of the ration banking report is to be furnished to the bank examined.

"Under the present plan reports will be made to the Office of Price Administration by the Board only in those cases in which the exceptions noted by the examiner appear to be serious and were not corrected during the course of the examination or subsequent to the examination. Therefore, it is requested that the Reserve Bank submit to the Board full information in connection with any case involving exceptions which the Reserve Bank considers material and in connection with which it has been unable to obtain correction through its own supervisory efforts.

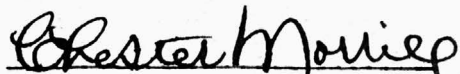
"Additional supplies of the questionnaire and report form may be obtained upon request."

Approved unanimously.

Thereupon the meeting adjourned.

Approved:


Chairman.


Secretary.