

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, February 8, 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 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 6, 1943, were approved unanimously.

Memorandum dated January 30, 1943, from Mr. Morrill, recommending that Mrs. Aline L. Yates be appointed as an index clerk in the Secretary's Office on a temporary basis for an indefinite period, with basic salary at the rate of \$1,440 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.

Memorandum dated February 8, 1943, from Mr. Morrill, recommending that Marie De Long be appointed as a kitchen helper in the Secretary's Office on a temporary basis for a period of not to exceed 60 days, with basic salary at the rate of \$1,080 per annum, effective today.

Approved unanimously.

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Memorandum dated today from Mr. Morrill, submitting the resignation of Miss Vivian Haislip as a file clerk in the Secretary's Office, to become effective as of the close of business on March 31, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Memorandum dated today from Mr. Morrill, submitting the resignation of George Byers as a kitchen helper in the Secretary's Office, to become effective at 10:30 a.m. on February 6, 1943, and recommending that the resignation be accepted as of that time.

The resignation was accepted.

Letter to Mr. Lauchlin Currie, Administrative Assistant to the President, reading as follows:

"The Board of Governors of the Federal Reserve System has extended for one year, from January 16, 1943, the leave of absence without pay previously granted to you.

"This extension will be governed by the conditions with respect to your membership in the Federal Reserve retirement system as outlined in the Board's letter to you under date of January 20, 1942, signed by Mr. F. A. Nelson, Assistant Secretary."

Approved unanimously, together with
an identical letter to Mrs. Eleanor Myer,
Secretary to Mr. Currie.

Telegram to the Presidents of all the Federal Reserve Banks, prepared in accordance with the action taken at the meeting of the Board with the Presidents on January 26, 1943, reading as follows:

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"Members of the Board met Saturday with representative of the War Manpower Commission to consider question of whether Federal Reserve Banks should be classified as essential activities by the Commission.

"To support a formal request of the Board that the Reserve Banks be classified as essential activities, it is suggested that it would be helpful if the Commission be furnished with information regarding key positions at the Reserve Banks. Accordingly it is requested that, as promptly as practicable, you furnish us with a list of the classes of positions in the Reserve Bank which you feel are directly concerned with the war effort or with essential supporting activities, the adequate performance of the duties of which positions requires (a) special skills or abilities, and (b) a considerable period of training or experience. For each such class of position please furnish also the salary range and a brief description of the duties and of the special skills, abilities, training or experience required.

"From indications it appears that chances for favorable action on a request for classification may depend upon the reasonableness of the list of key positions and upon whether the list will stand up under severe scrutiny in the light of the increases contemplated in the size of the armed services and the manpower needed for essential productive services.

"We have also been given to understand that the Commission recognizes that its recent announcement has created considerable disturbance and that some clarifying statement may be expected shortly."

Approved unanimously.

Telegram to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"Re your wire February 5 to Szymczak. Advised informally by Buffington that Treasury approval of increase in salaries of clerical employees of Victory Fund Committees is not necessary and that Reserve Banks have full discretion, subject to such regulations as the Board may prescribe, to make adjustments in the salaries of such personnel.

"Adjustments in salaries of such employees should not be covered by certificates for submission to Joint Committee on Salaries and Wages as provided in General Order No. 19 of War Labor Board since the employees in question are not technically employees of the Federal Reserve Banks.

"We are informally advised that, as a practical matter, the salary scales of the Personnel Classification Plans of the Reserve Banks may be considered as applicable to employees of Victory Fund Committees doing comparable work,

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"and that adjustments in salaries of clerical personnel of the Victory Fund Committees may be made without reference to the War Labor Board or Commissioner of Internal Revenue provided the salaries of such employees follow the general pattern of salaries of employees of the Reserve Bank doing comparable work and that increases in salaries of the clerical personnel of the Victory Fund Committee are consistent with the practice of the Reserve Bank with respect to increases in salaries of its own employees holding similar or comparable positions."

Approved unanimously, together with a letter to the Presidents of all the Federal Reserve Banks transmitting copies of the incoming telegram and the above reply.

Letter to Mr. Mulroney, Vice President of the Federal Reserve Bank of Chicago, reading as follows:

"In accordance with your request the Board of Governors approves the change in the personnel classification plan of the Detroit Branch of the Federal Reserve Bank of Chicago, covering the establishment of the position of Chief Examiner, Bank Examination Department at the Branch with maximum annual salary of \$7,000, as submitted in your letter of February 3, 1943."

Approved unanimously.

Letter to "The First National Bank of Marshall", Marshall, Texas, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your supplemental application for fiduciary powers, and, in addition to the authority heretofore granted to act as trustee, executor, administrator and guardian of estates, grants you authority to act, when not in contravention of State or local law, as registrar of stocks and bonds, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of

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"Texas, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously.

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

"There is enclosed for your information copy of a letter, together with its enclosures, from the Federal Home Loan Bank Administration to the Presidents of the Federal Home Loan Banks with regard to their cooperation in the Board's program of enforcement of Regulation W."

Approved unanimously.

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

"Referring to your telegram of February 6 to which we replied by wire today, we regret that you were not advised of the action taken by the Board in permitting the designation of Kelley Blue Book under Regulation W to apply, through February 28, 1943, to the November-December 1942 issue as well as to the January-February 1943 issue. Mr. Kelley requested this designation for reasons mentioned in his telegram of January 18, a copy of which is enclosed.

"Before granting this permission, a comparison of values as published in the two issues was made and we found the differences amounted to as much as 10 per cent in some cases but to considerably less in most cases. During this period another publisher of a used-car guide for California showed increases in published values, so it appeared to us that Mr. Kelley had made an error in judging the market to be lower and we accordingly permitted him the use of the November-December 1942 guide as he requested."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved: W. S. ...
Chairman.