A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, February 12, 1943, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
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 February 11, 1943, were approved unanimously.

Telegrams to Messrs. Treiber and Hays, Secretaries of the Federal Reserve Banks of New York and Cleveland, respectively, Mr. Leach, President of the Federal Reserve Bank of Richmond, Messrs. Stewart and Powell, Secretaries of the Federal Reserve Banks of St. Louis and Minneapolis, respectively, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Hale, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on February 9, and by the Federal Reserve Banks of New York, Cleveland,
Richmond, Minneapolis, Kansas City, and Dallas on February 11, 1943,
of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated February 3, 1943, from Mr. Wyatt, General
Counsel, requesting that he be granted special leave with pay, which
would not be chargeable against his annual leave, from March 12 to
April 12, 1943, inclusive, so that he might attend the 4th Army Orientation
Course at the Command and General Staff School, Fort Leavenworth,
Kansas.

Approved unanimously.

Memorandum dated February 11, 1943, from Mr. Morrill, recom-
mending that Miss Pearl Grimsley be appointed as a kitchen helper in
the Secretary's Office on a temporary basis for a period of not to ex-
ceed 60 days, with salary at the rate of $1,080 per annum, effective
February 12, 1943.

Approved unanimously.

Memoranda dated today from Mr. Morrill, submitting the res-
ignation of Frank Connell as a kitchen helper in the Secretary's Office,
to become effective at 2:30 p.m. on February 12, 1943, and recommending
(1) that the resignation be accepted as of that time, and (2) that Mrs.
Florence McVearry 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
salary at the rate of $1,080 per annum, effective February 13, 1943.

Approved unanimously.
2/12/43

Memorandum dated today from Mr. Morrill, recommending that the Board accept the resignations of Misses Carlena Woods and Courtney Thomas as kitchen helpers in the Secretary's Office, effective as of the close of business on February 6 and February 11, 1943, respectively.

The resignations were accepted.

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

"Reference is made to your letter of December 31, 1942 with regard to the application of the Board's Regulation 0 to inactive officers of smaller member banks who are also directors and serve as members of the discount committee.

"As stated in the Board's circular letter, S-353, dated September 23, 1941, a person who is an inactive officer and director of a member bank and with respect to whom a resolution has been adopted by the board of directors providing that he is not authorized to participate in the operating management of the bank will not be considered an executive officer because of his service on the discount committee where the by-laws of the bank or resolution of the board of directors requires the service in rotation of every director as a member of the discount committee and the directors do in fact serve as members of the committee in accordance with such by-laws or resolution. Your letter, however, points out the difficulty in applying this principle to small member banks having usually only five directors all of whom are also serving as members of the discount committee.

"In the circumstances, the ruling contained in the Board's letter S-353, referred to above, is hereby extended so that, in addition to the rule enunciated therein, an officer of a member bank with respect to whom a resolution described above has been adopted who is also serving as a director and as a member of the discount committee where all of the members of the board of directors are also members of, and do in fact serve on, the discount committee, will not be considered an executive officer within the meaning of Regulation 0."

Approved unanimously.
2/12/43

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

Chairman.