

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, March 12, 1943, at 11:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
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 March 10, 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. Dillard, Stewart, Powell, and Woolley, Secretaries of the Federal Reserve Banks of Chicago, St. Louis, Minneapolis, and Kansas City, respectively, 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 March 9, and by the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, Minneapolis, Kansas City, and Dallas on March 11, 1943, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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Memorandum dated March 6, 1943, from Mr. Smead, Chief of the Division of Bank Operations, recommending that the salary of L. S. Myrick, Assistant to Chief, be increased from \$6,400 to \$7,000 per annum, effective March 16, 1943.

Approved unanimously.

Memorandum dated March 6, 1943, from Mr. Smead, Chief of the Division of Bank Operations, recommending that the salary of Miss Sarah L. Trott, a clerk-stenographer in that Division, be increased from \$1,800 to \$1,980 per annum, effective March 16, 1943.

Approved unanimously.

Memorandum dated March 6, 1943, from Mr. Smead, Acting Administrator for the War Loans Committee, recommending that the salary of Miss Catherine E. Hopping, a clerk-stenographer in the office of the Assistant Administrator for the Committee, be increased from \$1,800 to \$1,980 per annum, effective March 16, 1943.

Approved unanimously.

Memorandum dated March 9, 1943, from Mr. Paulger, Chief of the Division of Examinations, recommending that Louis W. Zidek, an Assistant Federal Reserve Examiner, be granted leave of absence without pay beginning March 11, 1943, so that he might enter active duty with the United States Army, and that he be granted the benefits provided in the policy adopted by the Board on November 14, 1940, and amended August 20, 1941, for all employees entering military service.

Approved unanimously, with the understanding that the payment of one month's

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unearned salary will be at the rate of basic salary plus overtime.

Memorandum dated March 10, 1943, from Mr. Morrill, recommending that Claiborne C. Johnson, a mail clerk in the Secretary's Office, be granted leave of absence without pay beginning March 16, 1943, so that he might enter active duty with the United States Army, and that he be granted the benefits provided in the policy adopted by the Board on November 14, 1940, and amended August 20, 1941, for all employees entering military service, with the understanding that the payment of one month's unearned salary will be at the rate of basic salary plus overtime.

Approved unanimously.

Letter to Mr. Laning, Cashier of the Federal Reserve Bank of Cleveland, reading as follows:

"In accordance with the request contained in your letters of February 27 and March 4, 1943, the Board has approved the changes in the personnel classification plan covered by certificates Nos. 1, 2, and 3, submitted with your letter of March 4."

Approved unanimously, together with the following letter to the Joint Committee on Salaries and Wages:

"Under the procedure established by General Order No. 19, of the War Labor Board and the authority granted by the Commissioner of Internal Revenue, transmitted herewith are five copies of certificates Nos. 1, 2, and 3, from the Federal Reserve Bank of Cleveland with respect to adjustments, under the personnel classification plan, in the maximum annual salaries for certain positions at that Bank and its Branches at Cincinnati and Pittsburgh.

"These increases have been approved by the Board of Governors of the Federal Reserve System as submitted.

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"In transmitting these certificates, attention is called to the fact, which has been discussed with representatives of the War Labor Board and of the Commissioner of Internal Revenue, that the maximum annual salaries approved under the personnel classification plan are not, in general, established rates paid for all employees coming within the respective groups. They represent instead maximums within which adjustments, including increases due to individual merit and earned through long service, may be made by the Reserve Bank without further reference to the Board of Governors."

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

"In accordance with the request contained in your letters of February 26 and March 6, 1943, the Board of Governors approves the payment of salaries for the period February 1, 1943 to March 31, 1944 to the following officers of the Detroit Branch at the rates as fixed by your board of directors and indicated below:

<u>Name</u>	<u>Title</u>	<u>Proposed Salary</u>
H. L. Diehl	Cashier	\$6,500
A. J. Wiegandt	Assistant Cashier	5,000
W. T. Cameron	Assistant Cashier	5,000
R. W. Bloomfield	Assistant Cashier	5,000"

Approved unanimously, together with the following letter to the Joint Committee on Salaries and Wages:

"Under the procedure established by General Order No. 19, of the War Labor Board and the authority granted by the Commissioner of Internal Revenue, transmitted herewith are the original and four copies of a certificate dated March 6 of the Federal Reserve Bank of Chicago with respect to adjustments in the salaries of four officers of the Detroit Branch of the Federal Reserve Bank of Chicago.

"As pointed out in the schedules attached to the certificate of the Federal Reserve Bank of Chicago, during the past year there has been a great expansion in the activities and services of the Detroit Branch. This is in accordance with a policy of increasing the powers and functions of the more important branches of the System.

"These increases have been approved by the Board of Governors of the Federal Reserve System as submitted."

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Letter to Mr. Bub, Manager of the Credit-Discount Department at the Federal Reserve Bank of St. Louis, reading as follows:

"This refers to your letter of March 4, 1943 with regard to the adequacy of an existing assignment of claims under a contract which has subsequently been increased.

"In a similar situation arising heretofore, a representative of the Board's staff discussed the matter informally with a representative of the General Accounting Office and it was the feeling that the assignment of claims under the original contract and notice thereof will result in all payments due on the modified or enlarged contract being made to the institution holding the assignment. If the assignment is worded to cover a specified contract and any modification thereof, there would seem to be no question that the original assignment would be sufficient to cover the enlarged contract. This, of course, would depend upon the wording of the assignment.

Approved unanimously.

Memorandum dated February 23, 1943, from Mr. Carpenter, submitting drafts of entries for the record maintained by the Board in accordance with the provisions of the last paragraph of section 10 of the Federal Reserve Act with respect to the policy actions taken by the Federal Open Market Committee during the year 1942.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

Ronald Hanson
Vice Chairman.