

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, March 20, 1943, at 11:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Draper
Mr. Evans

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

The action stated with respect to each of the matters herein-after referred to was taken by the Board:

Memorandum dated March 18, 1943, from Mr. Morrill, submitting the resignation of Harold F. Stone as an accounting clerk in the Secretary's Office, to become effective as of the close of business on April 1, 1943, and recommending (1) that the resignation be accepted as of that date, and (2) that the temporary appointment of Robert P. Werner as an accounting clerk in the Secretary's Office be made permanent, with no change in his present salary at the rate of \$1,800 per annum, effective immediately.

Approved unanimously.

Letter prepared in accordance with the action taken at the meeting of the Board on March 16, 1943, to Paul B. Simpson, junior economist in the Division of Research and Statistics, reading as follows:

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"This is in reply to your letter of March 19, 1943, advising of your appointment as Ensign in the U. S. Naval Reserve and enclosing the Navy form of release from employer to be executed by the Board.

"The Board is unable to execute the release because just recently the Agency Committee established by the Board of Governors under the provisions of Executive Order No. 9309 requested, with the specific approval of the Board of Governors, your deferment for a period of six months.

"Section V-2 of the Executive Order provides that

"If an Agency Committee has requested or would request deferment of an employee under this Order, the agency shall deny him such a release unless it is determined that:

a. The employee is likely to be assigned to active combat service; or

b. The employee's skills and ability probably will be utilized equally or more effectively in the armed forces.'

"Your deferment was requested, as you have been advised by the Chairman of the Agency Committee, on the grounds that you are engaged in important work of a professional and highly skilled character and that your services are considered essential within the meaning of Executive Order No. 9309. We understand that your physical examination disclosed that your eyes are not up to the standard required for sea duty and we have no basis for determination that your special skills and ability would probably be utilized equally or more effectively in the Navy. Accordingly, under the terms of Executive Order No. 9309, the Board is required to deny you a release to accept a commission in the Navy."

Approved unanimously.

Letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"This is to advise you that the Board of Governors notes without objection the salaries paid to employees of your Bank

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"as of January 1, 1943, as shown in the statement accompanying Mr. Stroud's letter of January 21, 1943."

Approved unanimously.

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

"In the list of salaries paid to employees of your Bank as of January 1, 1943, the salary of Mr. Philip M. Stone, Alternate Assistant Federal Reserve Agent, is shown as \$2,700 per annum. Mr. Stone's appointment as Alternate Assistant Federal Reserve Agent was approved October 8, 1942 at a salary of \$2,400 per annum, and while we do not appear to have received a request for an approval of an increase in the salary of Mr. Stone, the Board specifically approves the payment of a salary to him at the rate of \$2,700 per annum.

"In this connection reference is made to the following excerpt from the Board's letter X-9856, dated April 2, 1937:

"* * * no change should be made in the salary of a person designated as an Alternate Assistant Federal Reserve Agent * * * without obtaining the Board's prior approval thereof'.

"The Board notes without objection the salaries paid to the other employees of your Bank as of January 1, 1943, as shown in the report submitted by Mr. Mangels with his letter of February 1, 1943."

Approved unanimously.

Letter to "The National Bank of Jamestown", Jamestown, North Dakota, reading as follows:

"This refers to the resolution adopted on October 8, 1942, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

"The Board, understanding that your bank has never actually accepted or undertaken the exercise of any trust, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is enclosed herewith.

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"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal Reserve Act, except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

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

"This refers to your letter of March 6 enclosing a proposed modification of the Statement of Borrower under Regulation W which a member bank desires to use. The modification consists in omitting the portion of the Statement which appears on the top of the second page (particularly the list of Listed Articles) and printing the entire Statement on the reverse of the chattel mortgage form which the member bank regularly uses in making automobile loans.

"Several requests have been received for permission to use a modified form of Statement of Borrower, and after careful consideration the Board decided that to permit the use of a modified form in one case would involve the granting of similar permission in a number of cases and that the result would be confusion and inconvenience which would more than offset any advantage to the particular person seeking the permission.

"In the circumstances, the Board believes that it should not modify the requirement, which appears at the top of the specimen form, that the wording and arrangement of the specimen form should be followed exactly."

Approved unanimously.

Memorandum dated March 18, 1943, from Mr. Paulger, Chief of the Division of Examinations, submitting the travel expense voucher of

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Gordon R. Murff, a Federal Reserve Examiner, covering the period March 1 to 15, 1943, and recommending that, because no other accommodations were procurable at the time and it was necessary for him to accept whatever space was available in order to proceed on March 5, 1943, to his next assignment, the payment of an additional expenditure of \$2.30 by Mr. Murff, covering the difference in the price of a standard lower berth and a bedroom, be approved.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris

Secretary.

Approved:

I. [Signature]
Vice Chairman.