

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, April 15, 1943, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. McKee
Mr. Draper
Mr. Evans

Mr. Morrill, Secretary
Mr. Bethea, 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 April 14, 1943, were approved unanimously.

Memorandum of this date from Mr. Morrill, submitting the resignation of Miss Alice Mackey as a junior file clerk in the Secretary's Office, to become effective as of the close of business on May 9, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Memorandum of this date from Mr. Morrill, submitting the resignation of Mrs. Genevieve Swenson as a junior file clerk in the Secretary's Office, to become effective as of the close of business on April 12, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

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

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"In accordance with the request contained in your letter of April 9, 1943, the Board approves the appointment of Lloyd P. Tyrer as an assistant examiner for the Federal Reserve Bank of Boston. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

Letter to Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, reading as follows:

"Receipt is acknowledged of your letter of April 2, advising that effective April 1, 1943, the directors had granted a leave of absence to President Davis, with salary at the rate of \$15,000 per annum, being the difference between his salary as U. S. Food Administrator and the salary he has been receiving as President of your bank.

"Mr. Davis has informed us that he took oath of office as U. S. Food Administrator on March 29 and the Board believes it is important that his leave of absence from the Reserve Bank be effective as of that date.

"The Board of Governors approves payment to Mr. Davis while on leave of absence during the period ending May 31, 1943, of the difference between the salary which he receives as U. S. Food Administrator and the salary he has been receiving as President of the Federal Reserve Bank. This action is taken with the understanding that the Board stands ready to reconsider the matter should other arrangements be worked out along the lines discussed. As your directors have been advised, the Board would much prefer an arrangement whereby Mr. Davis would serve without pay as Food Administrator and would receive his full salary from the Reserve Bank while on leave of absence to serve as Food Administrator.

"It is noted also that Henry H. Edmiston, who had been serving as Assistant Vice President, was elected a Vice President, and that the titles of the Assistant Cashiers - Messrs. Gilmore, Hall, and Hollocher - were changed to Assistant Vice Presidents.

"The Board of Governors approves the payment of salaries for the period ending May 31, 1943, to Messrs. Edmiston, Gilmore, Hall, and Hollocher, in their new capacities, at the same rates as they have been receiving.

"It is further noted that at the meeting of the directors on April 1, 1943, the salaries of the officers were reviewed and fixed for the year beginning June 1,

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"1943, subject to approval of the Board, and that the list and supporting data will be forwarded to the Board in the near future."

Approved unanimously.

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

"In lieu of daily schedules furnished the Board with respect to purchases of Treasury bills under resale agreement, it will be appreciated if in the future you will submit to the Board a report as of the end of each month showing the following information for each separate purchase made during the report month:

Date of purchase
Maturity value
Maturity
Cost
Name of seller

"In this connection, schedules being submitted to the Board by some of the Reserve Banks for Treasury bills purchased without resale agreement--that is, those to be transferred to the System open market account--need no longer be submitted."

Approved unanimously.

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

"Re your wire April 13. The question of payment of time certificates of deposit before maturity to enable depositors to purchase Government securities has been discussed informally with the Treasury Department on several occasions since Board's telegram of December 17, 1941; but so far Treasury has not felt that action to permit such payment should be taken. For your information, however, San Francisco Reserve Bank recently wired Chairman Eccles stating that there was considerable discussion of announcement of Secretary of Treasury that public is not being asked to withdraw savings to purchase United States securities (See American Banker, April 7), calling attention to commercial banker opinion that it would help Treasury program if surplus savings accounts in commercial banks were used for the purpose, and suggesting that depositors

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"having large savings accounts be solicited to make such purchases. Matter was taken up with Treasury, and Mr. Robbins, National Director of Sales, subsequently wired the Reserve Bank as follows:

'We recognize problem raised in your telegram to Eccles reference savings accounts and war bond sales. Will rely on you to handle situation locally. We expect all citizens who have available funds to be solicited regardless of where their funds may be located. On the other hand we cannot ask Treasury Department or Federal Reserve Board to take a position which might be interpreted as against any one type of banking institution, nor can we alter conditions of purchase eligibility for different types of banking structure. Our suggestion that you go aggressively after individual citizens who should buy these issues and avoid discussion of banking problems or source from which they will draw funds.'

"Board is sending copy of your wire and of this reply to Treasury for its information."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie

Secretary.

Approved:

W. H. Eccles

Chairman.