

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, April 16, 1943, at 3:00 p.m.

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

Mr. Morrill, Secretary
Mr. Clayton, Assistant to the Chairman
Mr. Dreibelbis, General Attorney
Mr. Leonard, Director of the Division of
Personnel Administration

Following a discussion of certain potential developments in the responsibilities of the Board which have necessitated additional work in the Legal Division, Mr. Dreibelbis, upon motion by Mr. Evans and by unanimous vote, was authorized to negotiate for the services of Mr. Frank B. Hubachek on a temporary basis as Special Counsel to assist Mr. Dreibelbis, with the understanding that when the terms and conditions upon which Mr. Hubachek's services could be obtained were ascertained a formal recommendation would be submitted to the Board in the usual manner for approval.

In this connection, it was suggested that Mr. Dreibelbis also canvass the possibilities of obtaining additional legal assistance on a temporary basis if it should become necessary, particularly among lawyers with special knowledge in the real estate and commodity credit fields.

At this point, Messrs. Dreibelbis and Leonard withdrew from the meeting, and the action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on April 15, 1943, were approved unanimously.

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Telegrams to Mr. Paddock, President of the Federal Reserve Bank of Boston, Messrs. Treiber and McCreedy, Secretaries of the Federal Reserve Banks of New York and Philadelphia, respectively, Mr. Frazer, Manager of the Foreign Funds Control Department at the Federal Reserve Bank of Atlanta, and Messrs. Dillard, Stewart, and Hale, Secretaries of the Federal Reserve Banks of Chicago, St. Louis, and San Francisco, respectively, stating that the Board approves the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on April 13, by the Federal Reserve Bank of Atlanta on April 14, by the Federal Reserve Banks of New York, Philadelphia, Chicago, and San Francisco on April 15, 1943, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated April 13, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Miss Belle Weissberg be appointed as a clerk in that Division, with basic salary at the rate of \$1,680 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.

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

"I have brought to the attention of the Board your letter of April 10 in regard to the question of reimbursement for Mr. Wingfield's salary and expenses. Your motive in advocating that the amount of his salary as well as his expenses be charged against the Federal Reserve Bank of Dallas

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"is fully appreciated. On the other hand, it is the feeling of the Board that since Mr. Wingfield's services have been merely temporarily loaned to the Bank to enable it to bridge over the period of leave of absence granted Mr. Stroud and otherwise Mr. Wingfield would be drawing his salary here anyway, it is proper for the Board to continue to bear that expense and not expect reimbursement from the Federal Reserve Bank of Dallas.

"The situation is, of course, different as to Mr. Wingfield's expenses in connection with this mission which would not have been incurred except for the loan of his services and in that regard the allowance which he receives in addition to his necessary transportation expenses is in accordance with the provisions of the Board's travel regulations which are applicable to Mr. Wingfield. Of course, if the allowance of \$8.00 should prove to be insufficient, we will be glad to be advised by Mr. Wingfield and to take up the matter of an appropriate adjustment and of billing your Bank accordingly."

Approved unanimously.

Letter to the board of directors of "The First State Bank", Avinger, Texas, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Dallas.

Approved unanimously, for transmission through the Federal Reserve Bank of Dallas.

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

"There is enclosed a copy of a letter addressed to all Federal Reserve Banks by the United States Maritime Commission, dated April 13, 1943, signed by Mr. W. C. Peet, Jr., Secretary, regarding the use of the revised form of guarantee agreement of April 6, 1943, with certain necessary minor changes, in cases in which a guarantee is executed by the Maritime Commission with respect to a loan made or participated in by a Federal Reserve Bank."

Approved unanimously.

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Letter to Mr. Trimble, Assistant General Counsel of the Federal Reserve Bank of New York, reading as follows:

"In reply to your letter of April 5, 1943, regarding the furnishing to financing institutions and borrowers of photo-stats relating to the authority of the Federal Reserve Bank in the execution of guarantee agreements, there are enclosed:

(1) Copy of memorandum received from the War Department dated April 13, 1943, signed by Lieutenant Colonel Paul Cleveland; and

(2) Copy of letter received from Mr. D. W. Bell, Under Secretary of the Treasury, dated April 15, 1943."

Approved unanimously.

Letter to Mr. Bernhard Knollenberg, Senior Deputy Administrator of the Lend-Lease Administration, reading as follows:

"Receipt is acknowledged of your letter of April 14, 1943, with regard to a proposed executive order making the provisions of Executive Order No. 9112 applicable to the Office of Lend-Lease Administration. You enclose a revised draft of the proposed executive order which applies to both the Office of Lend-Lease Administration and the War Shipping Administration and authorizes them to enter into guarantees or agreements of indemnification with the War Department, Navy Department and Maritime Commission in connection with loans or guarantees made pursuant to Executive Order No. 9112 for the benefit or on behalf of the Office of Lend-Lease Administration or the War Shipping Administration.

"The Board of Governors has no objection to a proposed executive order in the revised form enclosed with your letter of April 14, 1943."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. C. C. C.

Chairman.