

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, June 17, 1943, at 11:00 a.m.

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

Mr. Bethea, Assistant 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:

Letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"This is in reply to your letter of June 14, advising that your board of directors had elected Mr. Edward A. Wayne, Vice President of the Federal Reserve Bank of Richmond, effective August 1, 1943, at a salary of \$9,000 per annum, subject to the approval of the Board of Governors and that it is planned to place Mr. Wayne in charge of the Examination Department.

"The Board of Governors approves the payment of salary to Mr. Wayne at the rate of \$9,000 per annum for the period August 1, 1943 to May 31, 1944, inclusive. The Board also approves the appointment of Mr. Wayne as an Examiner for the Federal Reserve Bank of Richmond and his assignment as Vice President in charge of the Examination Department."

Approved unanimously.

Letter to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"Referring to your letter of June 12, the Board of Governors approves payment of salaries to the officers of the Federal Reserve Bank of Atlanta for the period from June 1, 1943 to May 31, 1944, at the following rates as fixed by the Board of Directors. In the case of an officer who is now in military service and returns to duty with the Bank during the coming year, the approval covers payment of

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"salary for the period beginning with his return to duty with the Bank and ending with May 31, 1944.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
McLarin, W. S., Jr.	President	\$ 20,000
Bryan, Malcolm H.	First Vice President	12,000
Clark, L. M.	Vice President	12,000
Conniff, H. F.	Vice President	7,500
Bowman, V. K.	Asst. Vice President	7,500
Camp, C. R.	Asst. Vice President	5,800
McCravey, J. R., Jr.	Asst. Vice President	5,500
(Temporarily serving as Acting Cashier at the New Orleans Branch.)		
Schuessler, S. P.	Assistant Vice President	6,000
Denmark, J. E.	General Auditor	5,500 (a)
Pike, Winslow E.	Acting General Auditor	5,000
Turman, J. P.	Counsel	5,500
<u>Birmingham Branch</u>		
Beavers, P. L. T.	Managing Director	6,500
Urquhart, H. J.	Cashier	4,200
Starr, Leo W.	Assistant Cashier	3,600 (a)
<u>Jacksonville Branch</u>		
Vardeman, G. S. Jr.	Managing Director	6,500
Lanford, T. A.	Cashier	5,000
<u>Nashville Branch</u>		
Fort, Joel B., Jr.	Managing Director	6,500
Harrison, E. R.	Cashier	5,000
<u>New Orleans Branch</u>		
Paris, E. P.	Managing Director	9,000
Shaw, M. L.	Cashier	5,000
(On special assignment as Acting Assistant Vice President at the Head Office.)		
Vasterling, F. C.	Assistant Cashier	4,000
Sewell, W. H.	Assistant Cashier	4,500
<u>Savannah Agency</u>		
Bowden, J. H.	Manager	4,300 (a)
Looney, Earle M.	Acting Manager	3,600
(a) Now in military service."		

Approved unanimously.

Letters to "The Farmers Bank of Springville, Erie County, N. Y.", Springville, New York, the "Farmers Bank of Parkesburg", Parkesburg, Pennsylvania, "The Lindsey Banking Company", Lindsey, Ohio, and the "Continental State Bank", Alto, Texas, reading as follows:

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"The Board is glad to learn that you have completed all arrangements for the admission of your bank to the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

Letter to Mr. Hays, Vice President and Secretary of the Federal Reserve Bank of Cleveland, reading as follows:

"This refers to your letter of April 24 and enclosures relating to the question of what records are to be kept by banks and other financial institutions in order to show the basis for exemption of single-payment loans under Regulation W, particularly section 8.

"This is a question which has been considered here from time to time in connection with various matters, but no attempt has been made to prescribe any definite procedure. A significant consideration relates to the internal consistency of the Regulation. Section 8(c) provides that a statement of the facts (if accepted in good faith by the Registrant) 'shall be deemed to be correct for the purposes of this Regulation', whereas any statement which the Registrant may have in his files to support a claim for exemption under some other provision of the Regulation would merely be evidentiary. Therefore, if the Board should prescribe a form and procedure for preserving statements to support exemptions under other provisions, it might seem inconsistent not to give them the same conclusive effect as statements accepted under section 8(c).

"The suggested form of letter from your Bank to the banks in your district, which you enclose, appears to us to have substantial merit, but in view of the reaction of the Secretary of the Ohio Bankers Association and the rather widespread feeling of opposition to added requirements in all fields, however much these might actually benefit the people involved, we are inclined to suggest that the matter be postponed. A better opportunity may arise for doing something of this kind.

"We appreciate that the examiners are handicapped and that the banks are put to some trouble in showing the basis for exemption, but it may be better, especially at this time,

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"for the problem to be handled in an informal way at each examination. This would enable each bank to adopt methods that would be most satisfactory to it and would not even suggest that a particular or uniform method is desired.

"We have studied your suggestion with interest, as well as with care, and want you to feel altogether free to bring the matter to the Board's attention again if and when it may seem to you that further consideration is desirable."

Approved unanimously.

Memorandum of this date from Mr. Chase, Attorney, reading as follows:

"A case has arisen in the St. Louis district which is similar in all essentials to the Clark Brothers case which arose in the Atlanta district some months ago, where a group of stores was closed for a week under an order by the Board for violating Regulation W.

"The Federal Reserve Bank of St. Louis has prepared an agreement (modeled on the agreement used in the Clark Brothers case) which the manager of the Mitchell Clothing Company stores is now willing to sign. The form of agreement is enclosed with Mr. Lewis' letter to Mr. Dreibelbis attached hereto. The agreement would consent to the issuance of an order by the Board closing the stores from the close of business July 3 to the opening of business July 12. It is contemplated that the Board will then issue an order in substantially the same form as that issued in the Clark Brothers case and also a press statement similar to that used in the Clark Brothers case.

"If the foregoing meets with the Board's approval, Mr. Carstarphen at St. Louis will be advised by telephone. He will also be advised of two minor changes which we feel should be made in the form of agreement (shown in pencil on the attached). The Federal Reserve Bank of St. Louis is very desirous of being advised today, if possible, since they do not wish to risk having Mr. Mitchell change his mind about signing the agreement."

The suggested procedure was approved unanimously, and Mr. Chase so advised Mr. Carstarphen this afternoon by telephone.

Letter prepared for the signature of Mr. Ransom to the Secretary of State, reading as follows:

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"In the temporary absence of Chairman Eccles, I wish to acknowledge your letter of June 15 in regard to securing the cooperation of this Board and staff in the preparation of studies on the financial situation, prospects and problems of various countries of Europe, the British Commonwealth nations, and of Asia. As a member of the Committee on Post-War Foreign Economic Policy, Mr. Eccles is, as you know, very much interested in the work of the Committee and desirous of affording the State Department all the aid at our command.

"As you state, Governor Szymczak and members of our staff have been in conference with members of your staff in this connection, and we have already undertaken to obtain the services of especially qualified experts to assist and supplement our own staff in the preparation of material.

"On behalf of all members of the Board, I wish to assure you of our desire to assist and cooperate in every possible way in this undertaking."

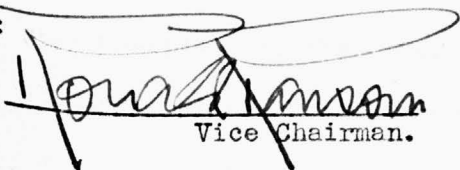
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Vice Chairman.