

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, July 14, 1943, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, 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 July 13, 1943, were approved unanimously.

Memorandum dated July 12, 1943, from Mr. Paulger, Chief of the Division of Examinations, recommending that, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination, L. E. Skees be appointed as a Federal Reserve Examiner, with basic salary at the rate of \$5,500 per annum, and with official headquarters at Washington, D. C.

By unanimous vote, Mr. L. E. Skees was appointed an examiner to examine Federal Reserve Banks, member banks of the Federal Reserve System, and corporations operating under the provisions of sections 25 and 25(a) of the Federal Reserve Act, for all purposes of the Federal Reserve Act and of all other acts of Congress pertaining to examinations made by, for, or under the direction of the Board of Governors of the Federal Reserve System, and

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was designated as a Federal Reserve Examiner, with official headquarters at Washington, D. C., and with basic salary at the rate of \$5,500 per annum, all effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination.

Memorandum dated July 5, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Eduardo Luis Montealegre, a Nicaraguan citizen, be appointed as a South American Specialist in that Division on a temporary basis for a period of not to exceed one year, with basic salary at the rate of \$2,600 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination.

With his recommendation Mr. Goldenweiser submitted a second memorandum dated July 5, 1943, addressed to the Personnel Committee, reading as follows:

"Attached is a formal recommendation for the appointment, on a temporary basis, of Mr. Montéalegre, a Nicaraguan citizen. I submit this recommendation for the purpose of having a decision on the policy involved.

"It is my understanding that the Board has agreed to participate in missions to South America when invited by the State Department, the Treasury Department, or the countries themselves. If this is to be done, it is essential to be in close touch with conditions in these countries.

"It is extremely difficult to obtain persons who qualify for this work. This particular individual has had fine training both in Nicaragua and this country. He knows the language and knows the institutional setup of South American countries. He would be of great value to us in preparing data to be used by Board representatives on South American missions. He would presumably not be sent on these missions himself.

"He is not a citizen of the United States and does not intend to become one. In fact, he intends to return to his own country in two or three years. The appointment under consideration is of course on a temporary basis.

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"I shall appreciate it if the Personnel Committee will let me have its decision on the policy involved."

The temporary appointment of Mr. Montealegre was approved in the light of Mr. Goldenweiser's memorandum set forth above.

Memoranda dated July 12, 1943, from Mr. Paulger, Chief of the Division of Examinations, recommending (1) that the title of Andrew N. Thompson be changed from Assistant Federal Reserve Examiner to Federal Reserve Examiner, with no change in his present basic salary at the rate of \$4,000 per annum, effective July 16, 1943, and (2) that Arthur H. Lang and James C. Smith be promoted from Assistant Federal Reserve Examiners to Federal Reserve Examiners, with increases in their basic annual salaries from \$3,400 and \$3,300, respectively, to \$3,600, effective August 1, 1943.

Approved unanimously.

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

"The Board of Governors approves the various changes in the personnel classification plan of the Federal Reserve Bank of Richmond and the Baltimore Branch as submitted with your letter of June 26, 1943, with the exception of the proposed maximum salaries for the positions of Assistant Manager, Transit Department, and Assistant Manager, Bank Accounts Department, which are approved at \$3,120 and \$2,880, respectively.

"It is understood that the maximum salaries for these positions were discussed with you and that you concur in their modification as indicated above."

Approved unanimously.

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

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"This is in reply to your letter of July 9, 1943 advising that, following the resignation of Mr. Chester C. Davis as War Food Administrator, the directors had reestablished the salary of Mr. Davis as President of the Federal Reserve Bank of St. Louis at the rate of \$25,000 per annum effective June 29, 1943, subject to approval of the Board of Governors.

"In accordance with such action, the Board of Governors approves the payment of salary to Mr. Davis at the rate of \$25,000 per annum for the period June 29, 1943 to May 31, 1944, inclusive."

Approved unanimously.

Letter to Mr. Nardin, Federal Reserve Agent at the Federal Reserve Bank of St. Louis, reading as follows:

"In accordance with the request contained in your letter of July 8, 1943, the Board of Governors approves the appointment of Mr. Carl Ritzel as Federal Reserve Agent's Representative at the Memphis Branch, effective August 1, 1943, with a salary at the rate of \$3,000 per annum, with the understanding that he will be placed upon the Agent's pay roll and will be solely responsible to the Federal Reserve Agent, or during a vacancy in the office of Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties, as Federal Reserve Agent's Representative he may, with approval of the Federal Reserve Agent or, in his absence, of the Assistant Federal Reserve Agent, and Branch Managing Director, perform such work for the Branch as will not be inconsistent with his duties as Federal Reserve Agent's Representative.

"It is noted that Mr. Ritzel will succeed Mr. Goldschmid, who has resigned effective August 2, 1943, but Mr. Ritzel should not enter upon the performance of his duties as Federal Reserve Agent's Representative until his bond has been examined by your Counsel to determine whether its execution complies fully with the rules printed on the reverse side thereof, following which the bond should be forwarded to the Board promptly for approval.

"Please advise us as to the date when Mr. Ritzel actually assumes his duties as Federal Reserve Agent's Representative, and as to the action, if any, we should take with respect to releasing the bonding company from liability under Mr. Goldschmid's bond."

Approved unanimously.

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

"Relet June 21. Board approves the establishment and operation of branches in Austin and Battle Mountain, Nevada, by the Nevada Bank of Commerce, Elko, Nevada, upon completion of the plan for increase in capital to \$150,000; merger with the Lander County Bank, Austin, Nevada; and purchase of certain assets and assumption of deposit liabilities of the Battle Mountain State Bank, Battle Mountain, Nevada, substantially as proposed, provided counsel is satisfied that merger will have no effect on corporate existence or powers of member bank.

"It is assumed that 'other bonds' listed at \$2,237 in statement of Battle Mountain State Bank (Exhibit B) are the defaulted bonds owned at time of latest F.D.I.C. examination of bank. If so, the issue should not be acquired by Nevada Bank of Commerce as purchase would constitute violation of Section 5136."

Approved unanimously.

Letter to Mr. C. B. Upham, Deputy Comptroller of the Currency, Treasury Department, reading as follows:

"In response to your letter of July 2, there is enclosed for the confidential use of your office a list of bank groups, as of December 31, 1942, and of their constituent banks. In addition to the name and location of each bank, the list shows the class of bank, the number of branches, and total deposits.

"As you have been informed, summary statistics of group banking as of December 31, 1942, by States, will appear in the forthcoming July issue of the Federal Reserve Bulletin. These statistics will be presented in substantially the same form as those for December 31, 1939, appearing on page 457 of the May 1940 issue of the Federal Reserve Bulletin."

Approved unanimously.

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Memorandum of this date from Mr. Leonard, as Chairman of the Agency Committee on Deferment of Federal Employees, submitting, at the request of Mr. McKee, a draft of letter to the Review Committee on Deferment of Government Employees asking for the deferment for a period of six months of Arthur H. Lang, an Assistant Federal Reserve Examiner.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. ...
Chairman.