

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

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

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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on September 14, 1943, were approved unanimously.

Memorandum dated September 13, 1943, from Mr. Nelson, Assistant Secretary, recommending that Robert B. Adams be appointed as a laborer in the Secretary's Office on a temporary basis for an indefinite period, with basic salary at the rate of \$1,200 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 the understanding that if anything derogatory should develop in the investigation of his references his services may be terminated immediately.

Approved unanimously.

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Memorandum dated September 14, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Miss Elinor Palmieri as a clerk in that Division, to become effective as of the close of business on September 15, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Memorandum of this date from Mr. Nelson, Assistant Secretary, submitting the resignation of Edward L. Colvin as a cafeteria helper in the Secretary's Office, to become effective as of the close of business on September 18, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Letter to Mr. Robert M. Barnett, Chairman of the Review Committee on Deferment of Government Employees, War Manpower Commission, reading as follows:

"In a letter dated March 16, we advised you of the appointment of three members of the Board's staff as an Agency Committee on Deferment of Government Employees.

"This is to advise you that E. L. Smead, Chief of the Division of Bank Operations, and George B. Vest, Assistant General Attorney, have been appointed as alternates to serve during the absence or incapacity of members of the Committee."

Approved unanimously.

Letter to Mr. Meyer, Assistant Cashier of the Federal Reserve Bank of Chicago, reading as follows:

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"The Board of Governors approves the change in the personnel classification plan of the Federal Reserve Bank of Chicago involving an increase to \$1,206.40 in the maximum annual salary for the position of Charwoman, as submitted with your letter of September 10, 1943."

Approved unanimously.

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

"The National War Labor Board has advised that the fundamental change in wage stabilization policy embodied in Executive Order 9328, the supplementary directive of May 12 and the policy adopted by the National War Labor Board thereunder has required revision in the wage adjustment procedures of Governmental agencies to which such board has designated wage stabilization responsibilities.

"Of particular importance to the Reserve Banks are the elimination of 'inequalities' as a basis for wage adjustments and the substitution of the 'wage bracket' for the 'prevailing wage concept' in making wage determinations. The details of the wage bracket procedure are necessarily somewhat complicated but for the ready use of the Reserve Banks, an attempt has been made in the attached memorandum to summarize the procedure to be followed and the information desired in connection with adjustments of wages and salaries under the certification procedure at the Federal Reserve Banks.

"The regional offices of the National War Labor Board have established wage and salary brackets for a number of positions. In making salary determinations, the Reserve Banks should, wherever possible, use salary brackets which have been established by the regional offices of the War Labor Board for comparable positions. In this connection, representatives of the War Labor Board have emphasized that the comparison should be with comparable jobs regardless of title, as frequently the same title may cover jobs with widely varying characteristics and on the other hand, jobs with different titles may actually be the same. We have been advised that the local offices of the National War Labor Board will be glad to cooperate with the Reserve Banks in furnishing pertinent information.

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"If no bracket has been established by the National War Labor Board for comparable jobs, the Reserve Bank should establish brackets based on sound and tested rates in the community (the attached memorandum contains further comments regarding the establishment and use of wage and salary brackets). If a job is peculiar to the Federal Reserve Bank and true comparison can not be made with jobs in other organizations, an adjustment can be made on the basis of careful job evaluation and accepted job relationships within the organization.

"The instructions and suggestions regarding certification procedure contained in the attached memorandum supersede the previous instructions and suggestions.

"This note and the accompanying memorandum are based chiefly upon advices and information received from the National War Labor Board regarding procedures with respect to wage and salary adjustments under its jurisdiction. We understand that revised regulations of the Commissioner of Internal Revenue regarding stabilization of salaries under its jurisdiction may be issued shortly. In the meantime, however, we have been advised informally by representatives of his office that the general procedure suggested herein would be appropriate with respect to adjustments of salaries to which the Commissioner's regulations are applicable.

"For ready reference, the attachments include a copy of the General Order No. 19, the accompanying press release, and the press release and directive of May 12 regarding general policy."

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"Reference is made to Mr. Diercks' letter of September 3, 1943, and enclosures, submitting the request of the Ecorse Savings Bank, Ecorse, Michigan, for permission to act as trustee under agreement. The bank has only recently been granted trust powers by the State authorities and permission of the Board to act in a fiduciary capacity is requested pursuant to an applicable condition of membership which provides that except with such permission there shall be no change in the scope of corporate powers exercised by the bank.

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"It is understood that the bank desires permission to act as trustee under agreement only in the case of Modern Collet & Machine Company, which company recently installed an employees' pension trust plan under the terms of which a corporate trustee is required; that the duties of the bank under this trust agreement will be largely ministerial and will not involve the exercise of discretion in making investments; that this step is being taken as an accommodation to a valued customer and in order to retain all of its business; and that should the bank desire to act as a fiduciary in any other instance it will first consult with the State Banking Department and with the Federal Reserve Bank.

"In view of the circumstances, and since the bank is reported in satisfactory asset condition and under capable management, the Board will not object to the bank's acceptance of the one corporate trusteeship in question, with the understanding that it will not acquire any other trust business without first obtaining the permission of the Board."

Approved unanimously.

Letters to Honorable Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, and Honorable Preston Delano, Comptroller of the Currency, reading as follows:

"The question which has been referred to the Board by the Federal Reserve Bank of New York as to whether, under the new inscription, reports of examination should be made available to the New York Clearing House Association, has been discussed informally with representatives of your office on one or two occasions. Enclosed herewith is a proposed reply to Vice President Gidney of the Federal Reserve Bank of New York. Before sending the letter out we would like to have confirmation of our understanding that your office concurs in the position taken and the benefit of your suggestions, if any."

Approved unanimously.

Memorandum dated September 11, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that

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arrangements be made with Mr. S. T. Yang, of the Economic Potential Division in the Enemy Branch of the Office of Economic Warfare, to translate certain articles on Japanese money and banking in connection with the project on the Military Government Handbook, and that the Board authorize an expenditure of not to exceed \$200 for this purpose, with the understanding that the translation work would be done at the rate of \$1 per hour. The memorandum stated that the work would be conducted under the close supervision of Frank Tamagna, who is assembling the material for the handbook on Japan, and that Mr. Knapp of the International Section would keep in touch with the work to see that full value was received for the expenditure.

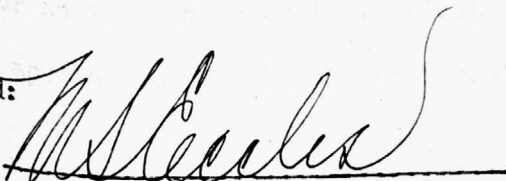
Approved unanimously, with the understanding that the appropriate item in the budget of the Division of Research and Statistics would be increased accordingly.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.