

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, October 4, 1943, at 11:00 a.m.

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

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

Mr. Szymczak stated that the executive committee of the Chairmen's Conference met in Washington on Friday, October 1, and fixed the date of November 8, 1943, at 9:30 a.m. as the date for the next Conference of Chairmen of the Federal Reserve Banks, with the understanding that the meeting would be restricted to a one-day session with a dinner in the evening. He also said that he had discussed the proposed agenda with Chairman Eccles who was in Utah, that the latter had suggested certain changes therein, and that the agenda was being submitted to the other members of the Board at this time for any comment that they might wish to make, with the understanding that the suggestions of the Board members would be submitted to Mr. Brainard, chairman of the executive committee of the Chairmen's Conference, and that the agenda in its final form would be sent to the Chairmen of all the Federal Reserve Banks as promptly as possible.

The proposed program for the meeting was discussed but no further changes were suggested.

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Upon motion by Mr. Szymczak, the Board authorized the payment of the cost of making a stenographic report of the Chairmen's Conference and of a dinner on the evening of November 8, 1943, to be attended by the Chairmen, the members of the Board, the senior members of its staff, and others who participate in the Conference.

The action stated with respect to each of the matters herein-after 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 October 2, 1943, were approved unanimously.

Memorandum dated October 2, 1943, from Mr. Morrill, recommending that the appointments of Ralph Matthews and Mary C. Tavenner, cafeteria helpers in the Secretary's Office, be extended on a temporary basis for an indefinite period, effective as of the expiration of their present temporary appointments at the close of business on October 4 and 13, 1943, respectively, with increases in their basic salaries from \$1,080 to \$1,200 per annum each, effective October 16, 1943.

Approved unanimously.

Memorandum dated September 21, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, for the reasons stated in the memorandum, that Mrs. Alice Davis, a clerk-stenographer in that Division, be granted a leave of absence for a

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period of not to exceed six months for the period from 10:30 a.m. on September 21, 1943, through March 20, 1944, the period November 16, 1943, through March 20, 1944, to be without pay.

Approved unanimously.

Letter to Mr. Rice, Vice President of the Federal Reserve Bank of New York, reading as follows:

"In view of the circumstances described in your letter of September 30, 1943, the Board of Governors approves the payment of a salary to Mr. Irving P. Frost as Chief of the Cash Custody Division, Cash Custody Department, for a further period of one year beginning October 1, 1943, at the rate of \$5,500 per annum, which is \$500 in excess of the maximum annual salary provided in the personnel classification plan for that position."

Approved unanimously.

Letter to Mr. Williams, President of the Federal Reserve Bank of Philadelphia, reading as follows:

"The Board of Governors approves the payment of a salary to Mr. William G. McCreedy, Assistant Vice President, at the rate of \$10,000 per annum, for the period May 1, 1943 through April 30, 1944, which is the rate proposed in Mr. McCabe's letter of April 13, 1943 and supported by the certificate enclosed with your letter of September 25, 1943."

Approved unanimously, together with the following letter to the Joint Committee on Salaries and Wages:

"Under the procedure established by General Order No. 19 of the War Labor Board and the authority granted by the Commissioner of Internal Revenue, transmitted herewith are the original and four copies of a certificate of the Federal Reserve Bank of Philadelphia, with respect

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"to an increase in the annual salary of Mr. William G. McCreedy, Assistant Vice President of that Bank.

"This increase has been approved by the Board of Governors of the Federal Reserve System, effective May 1, 1943, the beginning of the salary year for officers of the Federal Reserve Bank of Philadelphia. The Reserve Bank had originally proposed a salary of \$10,000 effective May 1, 1943, but action on the increase was held in abeyance pending clarification of the certification procedure."

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

"The Board of Governors of the Federal Reserve System approves the payment of a salary to Mr. J. R. Cupit, Cashier, Baltimore Branch, at the rate of \$7,500 per annum, for the period June 1, 1943 through May 31, 1944, which is the rate fixed by your directors and supported by the certificate enclosed with your letter of September 30, 1943."

Approved unanimously, together with the following letter to the Joint Committee on Salaries and Wages:

"Under the procedure established by General Order No. 19 of the War Labor Board and the authority granted by the Commissioner of Internal Revenue, transmitted herewith are the original and four copies of a certificate of the Federal Reserve Bank of Richmond, with respect to an increase in the annual salary of Mr. J. R. Cupit, Cashier of the Baltimore Branch of the Federal Reserve Bank of Richmond.

"This increase has been approved by the Board of Governors of the Federal Reserve System effective June 1, 1943, the beginning of the salary year for officers of the Federal Reserve Bank of Richmond and its Branches. The Reserve Bank had originally proposed a salary of \$7,500 effective June 1, 1943, but action on the increase was held in abeyance pending clarification of the certification procedure."

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Letter to Mr. Hall, Vice President and General Counsel of the Federal Reserve Bank of Kansas City, reading as follows:

"The Board of Governors approves the payment of a salary to Mr. John Phillips, Jr., Assistant Vice President, at the rate of \$8,500 per annum for the period June 1, 1943 through May 31, 1944, which is the rate fixed by your directors and supported by the certificate enclosed with your letter of September 25, 1943."

Approved unanimously, together with the following letter to the Joint Committee on Salaries and Wages:

"Under the procedure established by General Order No. 19 of the War Labor Board and the authority granted by the Commissioner of Internal Revenue, transmitted herewith are the original and four copies of a certificate of the Federal Reserve Bank of Kansas City, with respect to an increase in the annual salary of Mr. John Phillips, Jr., Assistant Vice President of that Bank.

"This increase has been approved by the Board of Governors of the Federal Reserve System, effective June 1, 1943, the beginning of the salary year for officers of the Federal Reserve Bank of Kansas City. The Reserve Bank had originally proposed a salary of \$8,500 for Mr. Phillips, effective June 1, 1943, but action on the increase was held in abeyance pending clarification of the certification procedure."

Letter to "The First National Bank of Union City", Union City, New Jersey, reading as follows:

"This refers to the resolution adopted on January 21, 1943, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

"The Board, understanding that your bank has been discharged or otherwise properly relieved in accordance with the law of all of its duties as fiduciary, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is

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"enclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal Reserve Act except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

Donald Hanson
Vice Chairman.