

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

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

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 October 6, 1943, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System with members of the executive committee of the Federal Advisory Council held on October 6, 1943, were approved unanimously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on October 7 and 8, 1943, were approved and the actions recorded therein were ratified unanimously.

Memoranda dated October 5, 1943, from Mr. Paulger, Chief of the Division of Examinations, recommending that the following increases in basic annual salaries of employees in that Division be approved, effective October 16, 1943:

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<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Dwight L. Crays	Federal Reserve Examiner	\$5,500	\$5,700
Gordon R. Murff	Federal Reserve Examiner	5,000	5,600
E. L. Brien, Jr.	Federal Reserve Examiner	5,000	5,200
Joseph H. Porter	Federal Reserve Examiner	4,800	5,200
W. J. McClelland	Federal Reserve Examiner	4,600	5,000
George M. Ringen	Assistant Federal Reserve Examiner	4,500	4,600
F. W. Troup	Assistant Federal Reserve Examiner	2,900	3,100
Carroll R. Highfield	Assistant Federal Reserve Examiner	2,500	2,900
John W. Taylor	Assistant Federal Reserve Examiner	2,400	2,800

The memorandum with respect to Mr. Ringen also recommended that his designation be changed from Assistant Federal Reserve Examiner to Federal Reserve Examiner, effective October 16, 1943.

Approved unanimously.

Memorandum dated October 9, 1943, from Mr. Morrill, recommending that Mrs. Margaret E. Dalton be appointed as a charwoman in the Secretary's Office on a temporary basis for a period of not to exceed 60 days, with basic salary at the rate of \$1,200 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.

Memorandum dated October 9, 1943, from Mr. Morrill, submitting the resignation of Julian R. Scott as a messenger in the Secretary's Office, to become effective as of the close of business on October 15,

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1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Memorandum dated October 9, 1943, from Mr. Morrill, submitting the resignation of Miss Mary Forrest as a cafeteria helper in the Secretary's Office, to become effective as of the close of business on October 11, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Letter to the board of directors of the "American State Bank of Bloomington, Illinois", Bloomington, Illinois, stating that, subject to conditions of membership numbered 1 to 6 contained in the Board's Regulation H and the following special condition, 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 Chicago:

- "7. By not later than January 1, 1948, such bank shall charge off or otherwise eliminate from its assets the Wochmer family loans totaling \$42,780 as listed on page 11(3) of the report of examination of such bank as of June 26, 1943, made by an examiner for the Federal Reserve Bank of Chicago, and not less than 25 per cent of such indebtedness shall have been eliminated by not later than January 1, 1946, and an additional 25 per cent by not later than January 1, 1947."

Approved unanimously, together with
a letter to Mr. Young, President of the

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Federal Reserve Bank of Chicago, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the 'American State Bank of Bloomington, Illinois', Bloomington, Illinois, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Auditor of Public Accounts for the State of Illinois, for his information.

"Since the amount of estimated losses shown in the report of examination for membership is relatively small, the usual condition of membership requiring elimination of losses has not been prescribed. It has been noted, however, that the management expected to make proper provision for such losses at the close of the examination and it is assumed that you will satisfy yourselves in this respect."

Letter to the board of directors of the "Napa Bank of Commerce", Napa, California, 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 San Francisco.

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

Letters to the "Barclay-Westmoreland Trust Company", Greensburg, Pennsylvania, and the "Farmers and Merchants Bank", Greenwood, Wisconsin, 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 prepared for the signature of Mr. Ransom to Honorable Preston Delano, Comptroller of the Currency, reading as follows:

"In Marriner's absence, I am circulating to the other Board members your letter of October 6, 1943, and the enclosed copy of the letter written by the attorneys for the National Bank of Commerce, Lincoln, Nebraska.

"It is significant to me that the attorneys make no attack on the soundness of the Board's ruling legally - indeed, they do not even defend the practice. I believe that the same firm position should be taken in all cases developed in due course of bank examinations which your office has taken in this specific case. I hope that by so doing the fear of discrimination, which seems to be the main point of the entire letter, will be alleviated over a course of time by the examining policy pursued by both your and the Board's examiners."

Approved unanimously.

Telegram prepared for the signature of Mr. Dreibelbis, General Attorney, to Mr. Stroud, First Vice President of the Federal Reserve Bank of Dallas, reading as follows:

"Have discussed Registration Statement matter with Governor Ransom and we think it all right to permit Internal Revenue Agent to inspect statement of registrant in question under same conditions outlined in Board's letter to which you referred."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

Donald Hanson
Vice Chairman.