

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, December 1, 1943, at 10:30 a.m.

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

Mr. Morrill, 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 November 30, 1943, were approved unanimously.

Memorandum dated November 30, 1943, from Mr. Morrill recommending that Mrs. Ila A. Taylor 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, with the understanding that (1) if anything derogatory should develop in the investigation of her references her services may be terminated immediately and (2) in the event her work is satisfactory a further recommendation may be submitted to place her on a permanent basis.

Approved unanimously.

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Memorandum dated November 30, 1943, from Mr. Morrill, recommending that Robert H. Jones, junior mail clerk in the Secretary's Office, be granted leave of absence without pay beginning December 6, 1943, so that he might enter active duty with the United States Navy, and that he be granted the benefits provided in the policy adopted by the Board on November 14, 1940, and amended August 20, 1941, for all employees entering military service.

Approved unanimously, with the understanding that the payment of one month's unearned salary would be at the rate of basic salary plus overtime.

Memorandum dated November 29, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Miss Dorothy Gaites, an economic assistant in that Division, be granted leave of absence without pay beginning November 29, 1943, so that she might enter active duty with the Women's Army Corps, and that she be granted the benefits provided in the policy adopted by the Board on November 14, 1940, and amended August 20, 1941, for all employees entering military service.

Approved unanimously, with the understanding that the payment of 5/12 of one month's unearned salary would be at the rate of basic salary plus overtime.

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

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"The Board of Governors of the Federal Reserve System has considered the recommendation of the Board of Directors of your Bank, contained in Mr. Diercks' letter dated November 20, 1943, and pursuant to the provisions of Section 19 of the Federal Reserve Act, grants permission to 'University National Bank', Chicago, Illinois, to maintain the same reserves against deposits as are required to be maintained by reserve city banks, effective with the first weekly reserve computation period beginning after the date of this letter.

"Please advise the member bank of the Board's action in this matter, calling its attention to the fact that such permission is subject to revocation at any time by the Board of Governors of the Federal Reserve System."

Approved unanimously.

Letter to "The First National Bank of Bemidji", Bemidji, Minnesota, reading as follows:

"This refers to the resolution adopted on July 6, 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 never actually accepted or undertaken the exercise of any trust, 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 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

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"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.

Letter to Mr. Allen, Manager of the Credit Department of the Federal Reserve Bank of New York, reading as follows:

"This refers further to your letter of August 24, 1943, submitting for review and comment a draft of loan agreement to be used for 'straight' loans under Regulation V guarantees. As indicated in our letter of September 11, 1943, the proposed form of loan agreement was promptly submitted to the War and Navy Departments and the Maritime Commission.

"We have now received, and there is enclosed herewith, a memorandum from the War Department dated November 24, 1943, commenting on the form of loan agreement enclosed with your letter. You will note that the War Department's memorandum states that the Navy Department concurs in the comments therein contained."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. S. Eccles  
Chairman.