

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, December 11, 1943, at 11:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. McKee
Mr. Draper

Mr. Morrill, Secretary
Mr. Bethea, 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 December 10, 1943, were approved unanimously.

Memorandum dated December 9, 1943, from Mr. Morrill, recommending that Miss Helen L. Hulen be appointed as a clerk in the Secretary's Office on a temporary basis for a period of not to exceed 90 days, with basic salary at the rate of \$1,440 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 (1) that if her services prove satisfactory during her temporary appointment she will be recommended for a permanent appointment and (2) that if anything derogatory should develop in the investigation of her references her services may be terminated immediately.

Approved unanimously.

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Memorandum dated December 8, 1943, from Mr. Morrill, submitting the resignation of Mrs. Maria D. Heiner as a junior file clerk in the Secretary's Office, to become effective as of the close of business on December 15, 1943, and recommending that the resignation be accepted as of that date without deduction from her final salary check for overdrawn sick leave.

The resignation was accepted as recommended.

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

"The Board's letter of October 30, 1943 (S-706), rescinded not only the authority to make supplemental payments to the retirement system for the benefit of employees separated from service, but also the authority to pay dismissal wages or separation allowances.

"In order that the Reserve Banks may deal with cases of involuntary separations which may arise pending consideration of any recommendations which may be submitted by the Presidents' Conference regarding the payment of dismissal wages, or of supplemental payments to the retirement system for the benefit of employees retiring after age 55, the Board authorizes payment of dismissal wages or separation allowances under the following program:

1. Dismissal wages or separation allowances under this authorization may be paid only to employees involuntarily separated from service prior to age 55, or to employees involuntarily separated from service after age 55 who had not served a sufficient length of time to be entitled to a pension upon separation.
2. In such cases dismissal wages or separation allowances may be paid at the rate of not to exceed one-half of a month's salary for each year of service or fraction thereof,

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"with a maximum payment equal to six months' salary.

In computing such payments, any salary in excess of \$15,000 per annum should be treated as a salary of \$15,000.

"The Board wishes to emphasize that the payments authorized are not suggested as amounts appropriate generally, but are maximums within which the Bank may act in its discretion; that the authorization is definitely not for separation allowances in general, but for payments in connection with involuntary separations; and that the program has been adopted for use pending consideration of any recommendations which the Presidents' Conference may wish to submit."

Approved unanimously, together with a letter to Mr. Day, as Chairman of the Conference of Presidents, Federal Reserve Bank of San Francisco, stating that the Board would be glad to receive the suggestions of the Presidents' Conference regarding a policy for payment of dismissal wages and separation allowances.

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

"Board approves designation of John L. Nosker as a special assistant examiner."

Approved unanimously.

Letter to Mr. Day, President of the Federal Reserve Bank of San Francisco, reading as follows:

"In accordance with the request contained in your letter of December 3, 1943, the Board of Governors approves the payment of salaries to Mr. W. F. Volberg, Assistant Federal Reserve Agent, and Mr. P. M. Stone, Alternate Assistant Federal Reserve Agent, at the rates of \$5,600 and \$3,000 per annum, respectively, effective January 1, 1944.

"The Board also approves, effective January 1, 1944, the change in the personnel classification plan of the

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"Federal Reserve Bank of San Francisco involving an increase to \$5,600 in the maximum annual salary for the position of Assistant Federal Reserve Agent, as submitted with your letter."

Approved unanimously, together with a similar letter to Mr. Grady, Federal Reserve Agent at the Federal Reserve Bank of San Francisco.

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

"Reference is made to your letter of December 3, 1943, advising the Board that The Munsey Trust Company, Washington, D. C., has requested permission to reduce its capital from \$2,000,000 to \$1,250,000, and to the copy of your letter of the same date, enclosed with your letter, to the president of the trust company approving the transaction on behalf of the Board.

"Your approval was apparently given pursuant to the Board's letter X-9882, dated May 1, 1937 (Loose-Leaf Service #3454) but that letter confers authority to approve on behalf of the Board only reductions of preferred stock or capital notes or debentures. However, the Board approves the proposed reduction in this case under the plan submitted to you and outlined in your letter to the trust company, which ratifies the action taken."

Approved unanimously.

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

"Reference is made to the Board's letter of September 15, 1942, S-548, regarding the cancellation of terminated guarantee agreements.

"For your information there is enclosed a copy of a memorandum from the War Department, dated December 7, 1943, signed by Colonel Paul Cleveland, Chief, Advance Payment and Loan Branch, with attachment modifying the procedure outlined in the above mentioned letter."

Approved unanimously.

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

"For your information and future guidance there is enclosed a copy of a memorandum, dated December 9, 1943, with attachment, received from Mr. William A. Coolidge, Chief of Finance Section, Navy Department, regarding essential points to be considered in drawing up bank credit agreements in connection with Regulation V applications for Navy Department guarantees."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. Steeles
Chairman.