

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, February 17, 1944, at 11:30 a.m.

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

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 February 16, 1944, were approved unanimously.

Memorandum dated February 14, 1944, from Mr. Paulger, Director of the Division of Examinations, recommending that, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination, Frederick A. Dons be appointed on a temporary basis for an indefinite period as an Assistant Federal Reserve Examiner, with basic salary at the rate of \$2,700 per annum, and with official headquarters at Chicago, Illinois.

By unanimous vote, Mr. Frederick A. Dons was appointed on a temporary basis for an indefinite period as an examiner to examine Federal Reserve Banks, member banks of the Federal Reserve System, and corporations operating under the provisions of sections 25 and 25(a) of the Federal Reserve

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Act, for all purposes of the Federal Reserve Act and of all other acts of Congress pertaining to examinations made by, for, or under the direction of the Board of Governors of the Federal Reserve System, and was designated as an Assistant Federal Reserve Examiner, with official headquarters at Chicago, Illinois, and with basic salary at the rate of \$2,700 per annum, all effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination.

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

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of Philadelphia, involving increases in maximum annual salaries for five positions, as submitted with your letter of February 8, 1944. Accordingly, the Form A pages and the certificates submitted with your letter of January 17, 1944, have been cancelled.

"It is noted from your letter of February 8, that the proposed changes in connection with the Research and Statistics Department are still under consideration."

Approved unanimously, together with a letter to the Joint Committee on Salaries and Wages transmitting the original and four copies of two certificates of the Federal Reserve Bank of Philadelphia with respect to the increases approved in the above letter.

Letter to Mr. Keesee, Secretary of the Federal Reserve Bank of Richmond, reading as follows:

"The Board of Governors approves the appointments of Messrs. J. G. Holtzclaw, Walker D. Stuart, Overton D. Dennis, William L. Manning, and Douglas Gorman as members of the Industrial Advisory Committee for the Fifth Federal

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"Reserve District to serve for terms of one year each, beginning March 1, 1944, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Richmond, as reported in your letter of February 14, 1944."

Approved unanimously.

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

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of Chicago, involving the Personnel Department, as submitted with your letter of February 11, 1944."

Approved unanimously.

Letter to Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, reading as follows:

"As requested in Mr. Koppang's letter of January 18, 1944, the Board of Governors approves the payment of salaries to the personnel of the Federal Reserve Agent's Department, effective as of January 1, 1944, as follows:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Maurice Allendoerfer	Asst. Federal Reserve Agent, Head Office	\$3,216
Kenneth Self	Alternate Asst. F. R. Agent, Head Office	2,796
I. A. Thornton	F. R. Agent's Representative, Omaha Branch	3,180
W. R. Young	F. R. Agent's Representative, Denver Branch	3,180
J. C. Clark	F. R. Agent's Representative, Oklahoma City Branch	3,180

"It is noted in the letter that the present salary for Mr. Kenneth Self is shown as \$2,676, whereas our records indicate that the Board has previously approved his salary

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"at the rate of \$2,616 per annum. While we do not appear to have received a request for approval of the increase, the Board specifically approves the payment of a salary to Mr. Self at the rate of \$2,676 per annum, as of the date the increase was granted. Advice as to the date of this increase will be appreciated.

"As requested in Mr. Koppang's letter of January 20, 1944, the Board of Governors also approves, effective January 1, 1944, the payment of a salary to Mr. C. W. Ping, Chief Teller, Oklahoma City Branch, at the rate of \$2,880, which is \$80.00 in excess of the maximum annual salary provided in the personnel classification plan for the position he occupies."

Approved unanimously.

Letter to Mr. Koppang, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"The Board of Governors approves, effective January 1, 1944, the changes in the personnel classification plan of the Federal Reserve Bank of Kansas City and its Branches, involving increases in maximum annual salaries for twenty-four positions, as submitted with your letter of January 18, 1944."

Approved unanimously, together with a letter to the Joint Committee on Salaries and Wages transmitting the original and four copies of a certificate of the Federal Reserve Bank of Kansas City with respect to the increases approved in the above letter.

Letters to "The Bank of Malverne", Malverne, New York, and the "Oklahoma State Bank", Buffalo, Oklahoma, reading as follows:

"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.

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Under date of January 24, 1944, the Board received a letter from Mr. Gidney, Vice President of the Federal Reserve Bank of New York, which transmitted a resolution adopted by the board of directors of The National City Bank of New York, New York, New York, on January 18, 1944, authorizing the establishment of a branch at Porto Alegre, Brazil, and requesting that the Board grant permission for the establishment of the branch. Mr. Gidney's letter stated that the Federal Reserve Bank recommended that the application be approved. In response to the Board's inquiries of January 29, 1944, the Comptroller of the Currency and the State Department advised that they knew of no objection to the Board issuing permission to the national bank to establish such subsidiary branch.

Accordingly, the following order was adopted by the Board:

"WHEREAS The National City Bank of New York has made application to the Board of Governors of the Federal Reserve System, pursuant to the provisions of section 25 of the Federal Reserve Act, for permission to establish a branch at Porto Alegre, Republic of Brazil; and

"WHEREAS it appears that the said bank may properly be authorized to establish a branch at Porto Alegre, Republic of Brazil;

"NOW, THEREFORE, IT IS ORDERED that The National City Bank of New York be and it hereby is authorized to establish a branch at Porto Alegre, Republic of Brazil upon the condition that unless the branch hereby authorized is actually established and opened for business on or before February 15, 1945, all rights hereby granted as to such branch shall be deemed to have been abandoned and the authority hereby granted as to it shall automatically terminate; but, if the branch shall be established and opened for business on or before said date, the said bank

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"may operate and maintain the same subject to the provisions of section 25 of the Federal Reserve Act."

In connection with the above matter, the following letter to Mr. Gidney was also approved unanimously:

"Reference is made to your letter of January 24, 1944, transmitting the application of The National City Bank of New York, New York, for permission to establish a branch at Porto Alegre, Republic of Brazil.

"Pursuant to the provisions of section 25 of the Federal Reserve Act, the Board of Governors of the Federal Reserve System has authorized The National City Bank of New York to establish a branch at Porto Alegre, Republic of Brazil, upon the condition that the branch be actually established and opened for business on or before February 15, 1945.

"There is enclosed herewith a certified copy of the order adopted by the Board authorizing the establishment of the branch which you will please deliver to the bank. There is also enclosed a copy of the order for your files.

"It will be appreciated if you will advise the Board of the date the branch is actually established and opened for business."

Letter to Mr. C. B. Upham, Acting Comptroller of the Currency, reading as follows:

"In response to the request contained in your letter of February 5, 1944, addressed to Mr. Dreibelbis, this will confirm your understanding that there is no objection on the part of the Board of Governors of the Federal Reserve System to your letter of February 5, 1944, to the National Bank of Washington, Tacoma, Washington, (with respect to the action of its shareholders in approving an increase in the outstanding capital by the sale of \$125,000 par value of new common stock, to be sold at the aggregate price of \$400; a change in the par value per share of the common stock from \$100 to \$12.50; and the adoption of completely revised articles of association for the bank in which no reference is made to preferred stock, provision having been made to retire the outstanding preferred stock as of February 1) a copy of which was

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"enclosed in your letter to Mr. Dreibelbis of the same date."

Approved unanimously.

Letter to Mr. John B. Blandford, Jr., Administrator of the National Housing Agency, reading as follows:

"The Board's Regulation W, dealing with consumer credit, provides an exemption -- section 8(m) -- for the financing of certain fuel conservation activities. The Board now has under consideration an amendment to the regulation which, among other things, would expand the scope of this exemption to cover the repair of heating equipment, and the replacement of heating equipment if it is worn out, damaged beyond repair, or destroyed. The amended section 8(m) would read as follows:

'(m) Fuel Conservation Credits. - Any extension of credit to finance (1) the conversion of heating equipment to the use of any other fuel, the repair of heating equipment, or the replacement of heating equipment if it is worn out, damaged beyond repair, or destroyed, (2) the installation of loose-fill, blanket, or batt-type insulation, or insulating board, within existing structures, (3) the installation of storm doors, storm windows, or weather stripping, or (4) the purchase of materials for any of the above purposes.'

"Since this change relates to the field of home repairs and improvements, the Board would appreciate any comments you would care to make. The Federal Reserve Banks have been asked to send in comments by February 26 and it would be helpful if the Board could receive yours by that time. You will understand that at this stage the Board would like to have the matter kept confidential."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. ...
Chairman.