

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, February 28, 1944, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman  
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

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 26, 1944, were approved unanimously.

Memorandum dated February 24, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that David L. Grove be appointed as an Associate Economist in that Division, with basic salary at the rate of \$3,800 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

Memorandum of this date from Mr. Morrill, submitting the resignation of Emmett Dial as a guard in the Secretary's Office, to become effective as of the close of business on April 5, 1944, and recommending

2/28/44

-2-

that the resignation be accepted as of that date.

The resignation was accepted.

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

"This is to advise you that the Board of Governors notes without objection the salaries paid to employees of your Bank and the Buffalo Branch as of January 1, 1944, as shown in the statement accompanying Mr. Rice's letter of February 9, 1944."

Approved unanimously, together with a similar letter to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, with respect to the salaries paid to employees of that Bank and its Branches as of January 1, 1944, as shown in the statement accompanying his letter of February 1, 1944.

Letter to Mr. Brainard, Chairman and Federal Reserve Agent at the Federal Reserve Bank of Cleveland, reading as follows:

"In accordance with the recommendation contained in your letter of February 24, 1944, the Board of Governors approves the payment of a salary to Miss Anne J. Erste, Alternate Assistant Federal Reserve Agent, at the rate of \$1,800 per annum, effective March 1, 1944."

Approved unanimously.

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

"In view of the circumstances as stated in Mr. Meyer's letter of February 1, 1944, the Board of Governors approves, effective July 1, 1943, the payment of a salary to Mr. Anthony J. Kirchen, Assistant City Paying Teller, Cash Department, at the rate of \$3,600 per annum, which is \$100 in excess of the maximum annual salary provided for this position in the personnel classification plan.

2/28/44

-3-

"The Board also notes without objection the salaries paid to the other employees of the Federal Reserve Bank of Chicago and the Detroit Branch as of January 1, 1944, as shown in the report submitted in accordance with the Board's letter of December 31, 1943, S-723."

Approved unanimously.

Letter to the board of directors of the "Great Neck Trust Company", Great Neck Plaza (Great Neck P.O. Station), New York, 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 New York:

- "7. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$2,930 as shown in the report of examination of such bank as of January 15, 1944, made by an examiner for the Federal Reserve Bank of New York."

Approved unanimously, together with a letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the 'Great Neck Trust Company', Great Neck Plaza (Great Neck P.O. Station), New York, 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 Superintendent of Banks for the State of New York, for his information.

"Standard condition of membership numbered 6 has been prescribed in order that its provisions may be invoked at any time in the future if necessary, but as in

2/28/44

-4-

"other cases and in accordance with the general authorization previously granted by the Board, you are authorized to waive compliance with the condition until further notice insofar as the condition applies to funds which are given statutory preference in the State of New York."

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

"Reference is made to the report of examination of the Springville Banking Company, Springville, Utah, as of December 9, 1943.

"The report discloses that the remodeling of bank premises and other costs in connection therewith amounted to approximately \$72,500, or about \$30,500 in excess of the amount approved by the Board in its letters dated September 9, 1941 and October 2, 1942. In Form 212 in connection with the current report of examination you stated that the additional expenditure was due mainly to rising costs of labor and materials.

"The additional expenditure was not submitted for the prior consideration of the Board in accordance with condition of membership numbered 8 and the matter has not at this time been submitted for consideration, together with your recommendation. It has been noted, however, that the book value of fixed assets has been reduced to an amount substantially less than the total amount of expenditure approved by the Board, and also that the bank is reported in satisfactory asset condition and under satisfactory management. In view of the circumstances, therefore, and in order to clear the record on the question, the Board interposes no objection to the investment by the Springville Banking Company of \$72,500 in bank premises."

Approved unanimously.

Memorandum dated February 26, 1944, from Mr. Smead, Director of the Division of Bank Operations, reading as follows:

"At its meeting on September 25-27, 1942, the Presidents' Conference appointed a Special Committee on Simplification of Functional and Operating Reports with instructions to review the functional expense report and

2/28/44

-5-

"to make such suggestions as to simplification therein as seems advisable. This Committee reviewed the Functional Expense Report (Form E) and the Manual of Instructions Governing its preparation and submitted a report which was considered and approved by the Conference of Presidents at its meeting on October 16, 1943.

"Prior to the submission of its final report, the Committee recommended that the Form E report be prepared on an annual rather than a semi-annual basis and this recommendation was approved by the Board on June 15, 1943.

"The Committee recommended no material changes in the set up of the Fiscal Agency function which now constitutes about half of the total expenses of the Banks. In the so-called 'banking' functions, the Committee recommended the consolidation of certain units in the interests of simplification. For example, it recommended that the following six units of the Accounting function be consolidated: Administration, General Books and Expenditures, Member and Federal Reserve Bank Accounts, Transfer of Funds, Planning, and County Clearing Arrangements. The Committee also recommended that in most cases 'telephone toll charges', 'Retirement System Contributions', 'Printing, Stationery, and Supplies', and 'Traveling Expenses' be not distributed to the various operating units, such as 'Country Checks' as has been the practice heretofore.

"The form and instructions governing its preparation have been revised by the Division of Bank Operations in accordance with the recommendations of the Special Committee of the Presidents' Conference and it is recommended that we be authorized to furnish the Federal Reserve Banks with copies of the form and instructions as revised."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. S. Cullen  
Chairman.