

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, March 16, 1944, at 11:30 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 March 15, 1944, were approved unanimously.

Memorandum dated March 15, 1944, from Chairman Eccles, recommending that the basic salary of Elliott Thurston, Special Assistant to the Chairman, be increased from \$13,000 to \$14,000 per annum, effective March 16, 1944.

Approved unanimously.

Memoranda from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that the following increases in basic annual salaries of employees in that Division be approved, effective March 16, 1944:

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<u>Date of Memorandum</u>	<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
			<u>From</u>	<u>To</u>
3/13/44	Miss Ruth Brooks	Administrative Clerk	\$1,800	\$1,920
3/14/44	Mrs. Ruth Jones	Clerk-stenographer	2,400	2,600

Approved unanimously.

Memorandum dated March 15, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Mrs. Virginia P. Sassani as a clerk in that Division, to become effective as of the close of March 19, 1944, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Letter to the board of directors of "The Citizens State Bank", Kiel, Wisconsin, 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 Chicago.

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

Letter to the "Miners and Merchants Savings Bank", Lead, South Dakota, 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.

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"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

Letter to "The Danbury National Bank", Danbury, Connecticut, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your supplemental application for fiduciary powers, and, in addition to the authority heretofore granted to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics, grants you authority to act, when not in contravention of State or local law, in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Connecticut, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously.

Letter prepared for the signature of Chairman Eccles to Mr. Edward C. Romfh, President of The First National Bank, Miami, Florida, reading as follows:

"I received your circular of February 10, 1944, and was surprised to learn that you are of the opinion that the collection of checks should not be a function of the Federal Reserve System. I certainly do not believe that an argument for the plan you suggest can be sustained on the basis of either the money or time which it would save in handling the country's business.

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"It was even more of a surprise to learn that you advocate banks making both service and exchange charges. It seems to me that there is every reason for a bank making intelligent and adequate charges for the services which it renders its own customers but I know of no reason why a bank should charge for paying its own check, particularly where the same check is taken into account by the bank in fixing service charges against its customer.

"So far as the transfer of funds and the collection of checks are concerned, I am confident that the business of this country is best served by a par clearance system. However, it certainly is not right that small member banks should be put to the disadvantage which they now are in competing with nonmember banks which use the Reserve System to collect at par checks on member banks deposited by its customers but charge exchange on its own checks deposited in the member bank by the member bank's customers. Rather than permit this discrimination against member banks to stand, I would agree that they likewise should be permitted by law to engage in the practice.

"I was puzzled by your statement that if the Federal Reserve System would bend its efforts towards cooperating with the banks, instead of trying to drive them, we would have a better banking system. The generality of the statement prevents my doing more than disagreeing in equally general terms. However, I cannot help but believe that the information upon which this conclusion was based was either incomplete or incorrect."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morie  
Secretary.

Approved:

W. S. ...  
Chairman.