

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, March 30, 1944, at 11:00 a.m.

PRESENT: Mr. Eccles, 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 29, 1944, were approved unanimously.

Memorandum dated March 29, 1944, from Mr. Morrill, recommending that Mrs. Elizabeth Williams be appointed as a charwoman in the Secretary's Office on a temporary basis for an indefinite period, 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.

Approved unanimously.

Memorandum of this date from Mr. Morrill, recommending that August D'Aiutolo be appointed as a cafeteria helper in the Secretary's Office on a temporary basis for a period of not to exceed 60 days, with

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basic salary at the rate of \$1,200 per annum, effective as of the date upon which he enters upon the performance of his duties, with the understanding that if his services prove satisfactory an extension of his appointment will be recommended and he will be placed in the retirement system provided he passes satisfactorily the usual physical examination.

Approved unanimously.

Memorandum dated March 27, 1944, from Mr. Morrill, recommending that the appointment of Miss Helen Hulen as a clerk in the Secretary's Office be made permanent, with no change in her present basic salary at the rate of \$1,440 per annum, effective as of the expiration of her present temporary appointment at the close of business on April 1, 1944.

Approved unanimously.

Memoranda dated March 23, 1944, from Mr. Paulger, Director of the Division of Examinations, recommending that, effective April 1, 1944, (1) the title of F. W. Troup be changed from Assistant Federal Reserve Examiner to Federal Reserve Examiner and his basic salary increased from \$3,100 to \$3,600 per annum and (2) the basic salary of Ross W. Morgan, Assistant Federal Reserve Examiner, be increased from \$2,100 to \$2,300 per annum.

Approved unanimously.

Memorandum of this date from Mr. Morrill, submitting the

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resignation of William Myers as a cafeteria helper in the Secretary's Office, to become effective as of the close of business on April 13, 1944, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

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

"In accordance with the request contained in your letter of March 23, 1944, the Board approves the appointment of Edward G. Steadman as an examiner for the Federal Reserve Bank of New York, and the appointments of Lester A. Chamberlin, Louis Vohringer, and William M. Wisham as assistant examiners. Please advise us of the dates upon which the appointments become effective."

Approved unanimously.

Letter to Mr. G. G. Ware, President of The First National Bank of Leesburg, Leesburg, Florida, reading as follows:

"Your letter of March 25, 1944, addressed to Mr. Dreibelbis, has been received in his absence from the city on business.

"The matter of preparing a list showing nonpar banks rather than a list showing par banks is one which has been considered from time to time. However, up to this time it has not been found practicable to provide such a list for use in lieu of the par list. As you know, the par list serves the purpose not only of designating the banks which remit for their checks at face value, but also serves as a routing list. In other words, it indicates the Federal Reserve Bank or branch through which a check drawn on any particular bank should be sent for collection. This, of course, is a matter of convenience to the banks receiving checks from their depositors for collection. The possibility of preparing such a nonpar list, however, is still having consideration.

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"It is noted that you are considering adding a charge on your own account to nonpar checks which you receive for collection, equal to the charge which you must pay to the paying bank. There is no provision of Federal law or regulation prohibiting a bank from making a charge for the collection of checks drawn on other banks. The Federal Reserve Act provides for the fixing by the Board of Governors of the Federal Reserve System of 'charges to be collected by the member banks from its patrons whose checks are cleared through the Federal Reserve Bank' but provides further that 'nothing herein contained shall be construed as prohibiting a member bank from charging its actual expense involved in collecting and remitting funds'. Since the actual expenses of various banks in various situations must necessarily differ, it would be impossible for the Board to fix a rule of general application, if, indeed, it would not be impossible for a bank itself to ascertain such costs with respect to specific items. The Board has not, therefore, issued a regulation with regard to such collection charges made by banks, but I am sure that you appreciate the desirability from the standpoint of both the bank and its depositors of keeping any such charges within reasonable limits in relation to the expense to the bank involved in collecting the checks."

Approved unanimously.

Telegram to Mr. Hays, First Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"Your wire. Statement furnished pursuant to revised section 6(d) of Regulation W showing that entire proceeds of loan are to be used to purchase listed article and giving sufficient information regarding the purchase would comply with requirements. Information equivalent to questions 2 and 3 on prescribed form would not be necessary since entire proceeds would be accounted for.

"Amended section 7(d) does not require information equivalent to that required by questions 2 and 5 on prescribed form. However, if proceeds of original loan were used to reduce or retire charge account and if Registrant knew or had reason to know this fact, total maturity is limited to six months by footnote 5."

Approved unanimously.

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Memorandum of this date from Mr. Paulger, Director of the Division of Examinations, submitting for approval by the Board a letter to Hart, Dice and Harkins, shorthand reporters, requesting that they make a stenographic record of the Conference of Auditors to be held in Washington beginning April 17, 1944, and recommending that, if the stenographic record is approved, the cost of the transcript (estimated at approximately \$500) be added to the appropriate 1944 budget item of the Division of Examinations.

Approved unanimously.

Thereupon the meeting adjourned.

Walter Morrie  
Secretary.

Approved:

W. A. Paulger  
Chairman.