

12/1/44 A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, April 25, 1944, at 11:00 a.m.

PRESENT: Mr. Eccles, 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 April 24, 1944, were approved unanimously.

Bond in the amount of \$10,000, executed under date of April 22, 1944, by Walter C. Coffey as Federal Reserve Agent at the Federal Reserve Bank of Minneapolis.

Approved unanimously.

Memorandum dated April 22, 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, George Williams be appointed on a temporary basis for an indefinite period as an Assistant Federal Reserve Examiner, with basic salary at the

4/25/44

-2-

rate of \$1,800 per annum, and with official headquarters at Philadelphia, Pennsylvania.

By unanimous vote, Mr. George Williams 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 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 Philadelphia, Pennsylvania, and with basic salary at the rate of \$1,800 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.

Memorandum dated April 21, 1944, from Mr. Paulger, Director of the Division of Examinations, recommending that Mrs. Aubrey C. Wise be appointed as a stenographer in that Division on a temporary basis for an indefinite period, with basic salary at the rate of \$1,620 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 that she will be recommended for a permanent appointment if her services and all of her references prove satisfactory.

Approved unanimously.

4/25/44

-3-

Memorandum dated April 21, 1944, from Mr. Morrill, recommending that Miss Alice V. Rainey be appointed as a clerk in the Procurement Section of the Secretary's Office on a temporary basis for an indefinite period, with basic salary at the rate of \$1,560 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 dated April 19, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that the basic salary of Frederick C. Dirks, an economist in that Division, be increased from \$5,000 to \$5,600 per annum, effective May 1, 1944.

Approved unanimously.

Memorandum dated April 22, 1944, from Mr. Leonard, Director of the Division of Personnel Administration, recommending (1) that the basic salary of Miss Helen L. Steadman, a clerk-typist in that Division, be increased from \$1,440 to \$1,560 per annum, effective May 1, 1944, and (2) that her appointment be made permanent.

Approved unanimously, the appointment to be made permanent effective immediately.

Memorandum dated April 21, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, for

4/25/44

-4-

the reasons stated in the memorandum, that the leave without pay of Mrs. Caroline Hammill Cagle, a junior economist in that Division, be extended for the period April 22 through July 21, 1944, it being understood that she will make no contribution to the retirement system during this period of leave without pay.

Approved unanimously.

Memorandum dated April 24, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Miss Margaret Hough as a clerk-stenographer in that Division, to become effective as of the close of business on May 4, 1944, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

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

"It will be recalled that at the Conference of Chairmen on November 8, 1943, copies of a statement with respect to the duties and responsibilities of directors of the Federal Reserve Banks were given to the Chairmen, and it was agreed that if any of the Chairmen or directors of the Federal Reserve Banks had any suggestions to make as to changes in the statement they would be submitted for consideration, after which the statement would be put into final form.

"Comments were made by directors of several of the Federal Reserve Banks, and while it was not possible to

4/25/44

-5-

"meet the wishes of everyone all of the suggestions were reviewed and the statement has been revised in the light of its original purpose of clarifying the nature of some of the important responsibilities of the directors and their relationship to the Board of Governors and the System as a whole.

"It was not possible in the space available to recognize the difference in the organization and operations of the individual Federal Reserve Banks, and to meet this situation the enclosed statement contemplates that each of the Federal Reserve Banks will furnish to its directors a supplemental memorandum which will describe the organization of the Bank and the relationship of the board of directors, the executive and other committees of directors, the directors of the branches, if any, and the President and other executive officers to each other and to the functions performed by the Bank.

"At the recent meeting of the executive committee of the Chairmen's Conference there was a discussion of the manner in which the revised statement should be distributed to the directors, particularly to new directors, and it was agreed that copies of the statement should be sent to the Chairmen of all of the Federal Reserve Banks for distribution to the present directors and that in the future, whenever a new director is added to the board of a Federal Reserve Bank, the Board of Governors should send a letter to him welcoming him into the official family of the Federal Reserve System and enclosing a typed original of the statement. The letter should call attention to the importance of the statement as an effort to set forth in the space of a few pages the nature of the principal responsibilities of a director and his relationship to the Federal Reserve System.

"The Board of Governors has approved the statement in the form enclosed and in the future will follow the procedure agreed upon at the meeting of the executive committee of the Chairmen's Conference. A sufficient number of copies of the revised statement are being sent to you with this letter for distribution to all of the directors of your Bank."

Approved unanimously.

4/25/44

-6-

Letter to Mr. Edmiston, Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

"The Board notes without objection that you have employed Mr. Martin Krost as consulting economist for a six to possibly eight-week period beginning April 24 and that Mr. Krost's salary will be at the rate of \$500 a month, with transportation from Washington and return, and a per diem allowance of \$7.50 while he is in St. Louis."

Approved unanimously.

Letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"This is to advise you that the Board of Governors notes without objection the salaries paid to employees of the Federal Reserve Bank of Dallas and its Branches, as of January 1, 1944, as shown in the statement accompanying your letter of February 8, 1944."

Approved unanimously.

Letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"As requested in your letter of April 15, 1944, the Board approves the changes in the personnel classification plan establishing the position of Librarian in the Research and Statistical Department at the Head Office, and of Supervisor in the Fiscal Agency Department and General Clerk in the Cash Department of the El Paso Branch.

"The arrangement for an Economic Advisor on a part-time basis was approved by the Board as a temporary expedient pending development of more permanent plans. The Board would prefer to have such an arrangement treated as an individual matter rather than to have the position

4/25/44

-7-

"of Economic Advisor on a part-time basis incorporated as part of the regular personnel classification plan and accordingly does not approve the establishment of such position. It is understood that this is entirely agreeable to you."

Approved unanimously.

Letter to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"For your information you will find enclosed a copy of a letter dated April 18, 1944, addressed to the Board of Governors and signed by Francis C. Brown, General Counsel of the Federal Deposit Insurance Corporation, referring to the Board's letter of April 3, 1944, addressed to Chairman Crowley of the Corporation, in regard to the Citizens Bank and Trust Company, Bainbridge, Georgia.

"The Board will be glad to have the benefit of your comments upon this reply, any information that you may have that has not already been received by the Board, and any suggestions that you may wish to offer as to any further action that should be taken by the Board."

Approved unanimously.

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

"For your information and guidance there is enclosed a copy of a War Department memorandum, dated April 20, 1944, signed by Colonel Paul Cleveland, Chief, Advance Payment and Loan Branch, supplementing War Department memoranda dated January 28, 1943 and September 4, 1943, copies of which were forwarded with the Board's letters of January 29, 1943 and September 13, 1943 (S-687), respectively, regarding procedure in connection with guaranteed loans in distress."

Approved unanimously.

4/25/44

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

"Retel April 21. Instructions regarding reporting of loan commitments in contingent liability schedule have not been changed. Whether commitments on term and Regulation V loans should be reported depends on whether the commitments are revocable or irrevocable."

Approved unanimously, together with a letter to the Presidents of all the Federal Reserve Banks enclosing for their information related telegraphic correspondence on this subject.

Thereupon the meeting adjourned.

Rochester Morrie
Secretary.

Approved:

W. C. C. [Signature]
Chairman.