

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, May 16, 1944, at 11:00 a.m.

PRESENT: 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:

Memorandum dated May 10, 1944, from Mr. Smead, Director of the Division of Bank Operations, recommending that John DeLaMater, supervisor of service functions in that Division, who reached the retirement age of 65 on January 30, 1942, and whose retention in active service until June 30, 1944, had previously been approved by the Board, be retained in the active service of the Board at his present basic salary of \$4,000 per annum for an additional period of six months beginning July 1, 1944, with the continued understanding that payment of his retirement allowance will be suspended until the termination of his employment in accordance with the terms of the resolution adopted by the Retirement Committee on November 28, 1942.

Approved unanimously.

Memoranda dated May 12, 1944, 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

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be approved, effective May 16, 1944:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Mrs. Doris Plass Warner	Junior Economist	\$2,400	\$2,600
Mrs. Elizabeth B. Sette	Economic Assistant	2,400	2,600

Approved unanimously.

Memorandum dated May 13, 1944, from Mr. Morrill recommending that the basic salary of Howard W. Stull, a guard in the Secretary's Office, be increased from \$1,560 to \$1,620 per annum, effective May 16, 1944.

Approved unanimously.

Memorandum dated May 15, 1944, from Mr. Morrill recommending (1) that Mrs. Carrie B. Sanford, a telephone operator in the Secretary's Office, be granted an extension for the period May 16 to May 31, 1944, inclusive, of the leave without pay previously granted her because of illness and (2) that the Board authorize the continuation of her death benefit insurance with the understanding that she will make appropriate contributions therefor.

Approved unanimously.

Memorandum dated May 13, 1944, from Mr. Leonard, Director of the Division of Personnel Administration, submitting the resignation of Mrs. Margaret Pauszek as stenographer in Governor Draper's office, to become effective as of the close of business on May 31, 1944, and recommending that the resignation be accepted as of that date, it being

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understood that appropriate deduction will be made for unearned leave taken by Mrs. Pauszek.

The resignation was accepted as recommended.

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 May 11, 1944, the Board approves the appointments of

Herman J. Drenning

William M. Wisham,

at present assistant examiners, as examiners for the Federal Reserve Bank of New York, the appointment of

Donald G. Boyd

as an assistant examiner, and the designation of

Walter L. Freund

F. Sanford McCarthy, Jr.

John D. Newhouse

as special assistant examiners. Please advise us of the dates upon which the appointments of the examiners and the assistant examiner become effective."

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 establishment of two positions and a change in the description of duties for one position in the Bond Department, as submitted with your letter of May 10, 1944.

"Since one copy of each Form A page is all that is required for our records, the duplicate copies of the pages submitted with your letter are being returned."

Approved unanimously.

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Letter to the "American Bank and Trust Company", Racine, Wisconsin, 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.

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

"Reference is made to your letter of May 4, 1944 transmitting, with favorable recommendation, a request of The Union Bank of Commerce Company, Cleveland, Ohio, for permission to reduce its capital by \$470,000 in order to retire 4,700 shares which were turned over to the bank by Union Properties, Inc. It is understood that none of the released capital will be paid to stockholders but that the amount of the reduction will be added to surplus.

"In view of the circumstances involved, the Board, in accordance with your recommendation, approves the reduction of \$470,000 in capital, provided the transaction is approved by the appropriate State authorities and your counsel is satisfied with the legal aspects involved."

Approved unanimously.

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

"With further reference to your letter of May 2, 1944, relating to the desire of The First National Bank of Pleasantville (in liquidation), Pleasantville, New York, to surrender its right to exercise trust powers, we have been advised by the Deputy Comptroller of the Currency that his office will have no objection to the necessary investigation being made by an examiner for

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"the Federal Reserve Bank of New York to develop the information required by the Board as a prerequisite to the issuance of a formal certificate terminating the right of the bank to exercise trust powers. Therefore, please arrange to have one of your examiners make an investigation of the trust department records of the national bank in order to determine whether it appears that the bank has ever undertaken to act in any fiduciary capacity, and, if so, whether in the case of each trust accepted or undertaken it appears from the bank's records:

(1) That all assets and papers belonging to the trust estate have been delivered by the bank to the person or persons entitled to receive them; and

(2) That the duties of the bank as fiduciary have been completely performed and that the bank has been discharged or otherwise properly relieved of all its duties as fiduciary."

Approved unanimously.

Memorandum dated May 12, 1944, from Mr. Leonard, Director of the Division of Personnel Administration, recommending that the policy adopted by the Board on July 23, 1943, with respect to the restrictions on annual leave for its employees during wartime be modified as set forth in the following memorandum addressed to all employees:

"The Board's leave regulations provide that, with the approval of the head or an assistant head of a division or office, annual leave may be granted at such time or times as the condition of the work of the division or office will permit.

"In the interest of conserving manpower, because of wartime conditions, the following policy regarding the use of leave will apply until otherwise ordered.

"The major change from the policy heretofore in effect is the provision with respect to travel time for vacation. Formerly some allowance for additional travel leave was permissible in case it was necessary to travel

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"unusual distances to make a visit home. The vacation period is for rest, recreation, and recuperation, and in order that the vacation may be of the greatest benefit the limitation has been modified so as to permit a 15-calendar-day vacation with reasonable allowance, in addition, for necessary travel time to and from the place of vacation.

"Current Leave

"1. Extended vacation leave during a calendar year is limited to 15 calendar days, excluding travel time, unless the first or last day of the annual leave is observed as a holiday, in which case the extended vacation leave may run for 16 days.

"In case travel time is requested for vacation, the application for leave should include a notation as to the amount of travel time requested and the destination. In order to avoid any misunderstanding or inconvenience, it is suggested that requests for travel time be taken up with the appropriate office before definite plans are made or the application for leave is filed.

"Because of the difficulties of obtaining transportation, employees are cautioned about the necessity of making arrangements in advance for return transportation.

"2. Other annual leave in shorter periods may be granted from time to time provided that the total annual leave taken during the calendar year does not exceed 26 work days (or a proportionate lesser number in the case of employees who were employed subsequent to January 1 of the current year).

"Leave Accumulated Prior to January 1

"3. Employees with annual leave accumulated from prior years may take not to exceed eight hours' annual leave a month in amounts of four hours or less at a time, without reference to the limit of 26 days referred to in paragraph 2, when such leave is taken separately from other annual leave. Such leave shall be charged to accumulated leave.

"Exceptions to Prevent Undue Hardship

"4. If an exception to the foregoing policy is considered necessary in order to prevent undue

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"hardship or to meet an unusual situation, the matter will be considered by the Board's Personnel Committee on application of an employee to his or her division or office head for transmittal and recommendation to the Division of Personnel Administration.

"As a war measure, the Director of the Office of Defense Transportation has requested that all annual leaves which involve travel be spaced throughout the year, except for the period December 15-January 15, when it has been requested that holiday travel be avoided. It has also been requested that vacations be so arranged that any travel involved begin and end on Tuesday, Wednesday, or Thursday so far as possible. It is expected that leave involving public transportation will be arranged accordingly."

The memorandum also recommended that the special provisions with respect to the use of accumulated leave by guards, charwomen, and laborers, as approved by the Board on July 23, 1943, be continued without change.

The statement was also contained in the memorandum that, if the above recommendations were approved, Mr. Leonard would send to the division heads a supplemental memorandum relating to what could be regarded as travel time.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

John [Signature]
Member.