

5/17/44
A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, May 17, 1944, at 11:00 a.m.

PRESENT: 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 May 10, 1944, were approved unanimously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on May 12, 13, and 16, 1944, and of the meeting of the Board with the Federal Advisory Council on May 15, were approved and the actions recorded therein were ratified unanimously.

Letter to Mr. Hilkert, Assistant Vice President of the Federal Reserve Bank of Philadelphia, reading as follows:

"The Board has been advised by its counsel that the differential payment of luncheon money as proposed in your letter of May 8, 1944 to employees who will be assigned to the new location and thus not able to avail themselves of the cafeteria facilities at the Head Office does not constitute an increase in salary and that, accordingly, the matter does not come within the Wage and Salary Stabilization Regulations.

"In view of the circumstances as described in your letter, the Board interposes no objection to the proposed

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"plan of making differential payments of 35¢ to each employee who is assigned to the new location for each day actually worked.

"Your request for an opinion as to whether the differential payment is subject to withholding tax has been likewise referred to the Board's counsel who feel that the matter is one for the Federal Reserve Bank and its counsel to consider or take up with the Collector of Internal Revenue if they feel it is desirable to do so."

Approved unanimously.

Letter to Honorable Harold D. Smith, Director of the Bureau of the Budget, reading as follows:

"We are advised that there has been submitted to you for approval a proposed recommendation to the Congress by the Attorney General that Titles I to VII, inclusive, and Titles IX, XI, and XIV of the Second War Powers Act, 1942, be continued in effect until December 31, 1946, together with a draft of a bill to accomplish this purpose.

"Title IV of the Second War Powers Act, 1942, authorizes the Federal Reserve Banks within certain limits to purchase obligations of the United States directly from the United States. This is to advise you that the Board of Governors of the Federal Reserve System concurs in the recommendation of the Attorney General that Title IV of the Act be extended until December 31, 1946."

Approved unanimously, together with a letter prepared for the signature of Mr. Vest, Assistant General Attorney, to Honorable Hugh B. Cox, Assistant Solicitor General, transmitting a copy of the above letter.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W.S. [Signature]
Member