

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, May 26, 1944, at 11:30 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 hereinafter 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 25, 1944, were approved unanimously.

Telegrams to Mr. Flanders, President of the Federal Reserve Bank of Boston, Mr. Treiber, Secretary of the Federal Reserve Bank of New York, Mr. McLarin, President of the Federal Reserve Bank of Atlanta, Messrs. Dillard and Stewart, Secretaries of the Federal Reserve Banks of Chicago and St. Louis, respectively, Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Hale, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approved the establishment without change by the Federal Reserve Bank of St. Louis on May 23, by the Federal Reserve Banks of Atlanta and San Francisco on May 24, by the Federal Reserve Banks of New York, Chicago, Minneapolis, and Dallas on May 25, 1944, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

5/26/44

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Memorandum dated May 25, 1944, from Mr. Morrill recommending that Mrs. Cora King be appointed as a charwoman in the Secretary's Office on a temporary basis for a period of not to exceed 60 days, 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 dated May 23, 1944, from Mr. Morrill recommending that the following increases in basic annual salaries of employees in the Secretary's Office be approved, effective June 1, 1944:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
<u>Building Operation and Maintenance</u>			
P. C. Riston	Foreman of Laborers	\$1,860	\$1,920
E. J. Weeks	Assistant Foreman of Laborers	1,680	1,740
Michael Morley	Laborer	1,380	1,440
Herman Tobler	Laborer	1,380	1,440
Preston E. Fowler	Laborer	1,200	1,320
<u>Service Functions</u>			
Ralph A. Sherrod	Operator (Duplicating Devices)	1,560	1,620
<u>Secretarial and Administrative</u>			
Franklin Taylor	Supply Clerk	1,620	1,680

Approved unanimously.

Memorandum of this date from Mr. Morrill recommending, for the reasons stated in the memorandum, that August D'Aiutolo, a cafeteria helper in the Secretary's Office, be separated from service effective at the close of business on May 26, 1944.

Approved unanimously.

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

"The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Atlanta and its Branches, for the year beginning June 1, 1944, at the rates as fixed by your Board of Directors and reported in your letter of May 16, 1944, as follows:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
W. S. McLarin, Jr.	President	\$20,000
Malcolm H. Bryan	First Vice President	13,000
L. M. Clark	Vice President	12,000
H. F. Conniff	Vice President	8,000
V. K. Bowman	Vice President	8,000
J. R. McCravey, Jr.	Assistant Vice President	5,800
J. P. Turman	General Counsel	6,000
S. P. Schuessler	Assistant Vice President	6,000
S. R. Camp	Assistant Vice President	6,000
Winslow E. Pike	Acting General Auditor	5,000
*J. E. Denmark	General Auditor	5,500
<u>"JACKSONVILLE BRANCH"</u>		
George S. Vardeman, Jr.	Managing Director	7,000
T. A. Lanford	Cashier	5,300
Thomas Crawford Clark	Assistant Cashier	3,600
<u>"NASHVILLE BRANCH"</u>		
Joel B. Fort, Jr.	Managing Director	7,000
E. R. Harrison	Cashier	5,300
<u>"BIRMINGHAM BRANCH"</u>		
P. L. T. Beavers	Managing Director	7,000
H. J. Urquhart	Cashier	4,500
*L. W. Starr	Assistant Cashier	3,600
H. C. Frazer	Assistant Manager	5,300
<u>"NEW ORLEANS BRANCH"</u>		
E. P. Paris	Managing Director	10,000
M. L. Shaw	Cashier	6,000
W. H. Sewell	Assistant Cashier	4,800
F. C. Vasterling	Assistant Cashier	4,000
Lawrence Y. Chapman	Assistant Cashier	4,000
<u>"SAVANNAH AGENCY"</u>		
*J. H. Bowden	Manager	4,300
Earle M. Looney	Acting Manager	4,000
** On leave - Military Service"		

Approved unanimously.

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

"Under date of May 18, 1944, the Board sent you copies of letters addressed to the Federal Deposit Insurance Corporation and the Comptroller of the Currency, relating to the surrender of trust powers by The National Bank of Westfield (in liquidation), Westfield, New York, in order that the securities held by the State banking authorities might be released to the Corporation.

"As the national bank had been absorbed by the Union Trust Company of Jamestown, Jamestown, New York, a nonmember bank, and the Comptroller of the Currency would not have occasion to make a regular examination of the national bank, it seemed more appropriate to request the Corporation to have one of its examiners develop the information required by the Board as a prerequisite to the issuance of a formal certificate terminating the right of the national bank to exercise fiduciary powers. We have now been informed that the Union Trust Company of Jamestown has applied for membership in the Federal Reserve System and your Bank expects to make an examination of the nonmember bank starting next week. Therefore, it would seem more convenient for your examiner to make the necessary investigation of the trust department of the former national bank.

"Accordingly, the Federal Deposit Insurance Corporation is being notified that it will not be necessary for its examiner to make an investigation. In lieu thereof, 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 of its duties as fiduciary."

Approved unanimously, together with a letter to Mr. Wheeler McDougal, Chief of the Division of Liquidation, Federal Deposit Insurance Corporation, notifying the Corporation that it would not be necessary for its examiner to make an investigation of The National Bank of Westfield (in liquidation).

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Letter to Mr. Wallace, Counsel of the Federal Reserve Bank of Richmond, reading as follows:

"In reply to your letter of May 6, 1944, requesting an interpretation of the provisions of section 6(B) of the 1943 standard form of guarantee agreement, there is enclosed a memorandum received by the Board from Mr. William A. Coolidge, Chief of Finance Section, Navy Department, under date of May 24, 1944. You will note that Mr. Coolidge's memorandum states that the War Department and Maritime Commission concur in the opinion therein expressed.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. Spruill
Member.