A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, August 9, 1944, at 1:30 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Draper

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 August 7, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Miss Loretta Freedman be appointed as a clerk in that Division on a temporary basis for an indefinite period, with basic salary at the rate of $1,680 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 and subject to a satisfactory check of her references.

Approved unanimously.

Memorandum of this date from Mr. Bethea recommending that Mrs. Rosemary Wetnight 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 basic salary at the rate of $1,080 per annum, effective August 9, 1944.

Approved unanimously.
Memorandum dated August 8, 1944, from Mr. Smead, Director of the Division of Bank Operations, recommending, with the concurrence of the Division of Research and Statistics, that Mrs. Zelpha Cron, a clerk in the latter Division, be transferred to the Division of Bank Operations, with no change in her present basic salary at the rate of $1,860 per annum, effective as soon as her recommended successor reports for duty in the Division of Research and Statistics but effective for payroll purposes as of August 16, 1944.

Approved unanimously.

Letter to the board of directors of the "Peoples State Bank of Colfax", Colfax, Illinois, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago.

Approved unanimously, for transmission through the Federal Reserve Bank of Chicago.

By unanimous vote it was determined that the order approved by the Board at its meeting on July 29, 1944, to be served on Messrs. John Agnew and F. O. Fayerweather, directors of The Paterson National Bank, Paterson, New Jersey, to show cause why they should not be removed as directors of the national
I221

bank, should be issued on August 9, 1944.

In connection with this action, unanimous approval was given to the following letter to Mr. Gidney, Vice President of the Federal Reserve Bank of New York:

"There are enclosed herewith an original and two copies of an Order for Hearing to be served upon Mr. John Agnew and Mr. F. O. Fayerweather, Directors of The Paterson National Bank, Paterson, New Jersey, based upon a certificate filed by the Comptroller of the Currency with the Board under the provisions of section 30 of the Banking Act of 1933. You will observe that the Board's Order provides for service of notice upon Messrs. Agnew and Fayerweather by delivery to each of them of a copy of the Order to which is attached a certified copy of the certificate of the Comptroller of the Currency.

"It will be appreciated if you will designate someone in your organization to go immediately to Paterson and serve the notice upon Messrs. Agnew and Fayerweather by delivering to each of them personally one of the enclosed copies of the Order.

"Attached to the original Order are acknowledgments of service, but their execution is not essential. However, it will be necessary for whoever delivers the Order to execute the affidavit which is also attached to the original. This may be done upon his return to New York City after service of the Order.

"When service has been effected, please immediately telegraph me to that effect and if you should require any further instructions or experience any difficulty in connection with the service of the Order, it is suggested that you get in touch with me by telephone.

"Your attention is called to the importance, as indicated by the provisions of section 30 of the Banking Act of 1933, as well as for practical reasons, of maintaining in confidence all information relating to this
"matter. In this connection your telegraphic advice of service should be so phrased as to avoid disclosing the nature of the matter involved.

"Since section 30 of the Banking Act of 1933 requires that a copy of the Order be sent to each director of the national bank by registered mail and as the Board is deferring the mailing of such letters until receipt of advice that service has been effected, the Board desires that Messrs. Agnew and Fayerweather be served August 14th if possible, and that it be advised of such service without delay.

"When the affidavit of service has been executed, the original Order should be returned to the Board."

Unanimous approval was also given to a letter to the Comptroller of the Currency reading as follows:

"This refers to your letter of June 29, 1944, enclosing a certificate executed by you on that date pursuant to the provisions of section 30 of the Banking Act of 1933, certifying certain facts to the Board regarding Mr. John Agnew and Mr. F. O. Fayerweather, directors of The Paterson National Bank, Paterson, New Jersey.

"In this connection, there is enclosed for your information a copy of an Order for Hearing which is being served by the Board on Messrs. Agnew and Fayerweather. It is understood from informal conversations with your office that it will be convenient to have such hearing held on October 2, 1944, and, in order that your office may be prepared to have such representatives present as will be necessary to present evidence in this case, your particular attention is called to the fact that the hearing is to be held at the Federal Reserve Bank of New York at 10 o'clock on the morning of that date."

Telegram to Messrs. Davis and Peyton, Presidents of the Federal Reserve Banks of St. Louis and Minneapolis, respectively, reading as follows:

"Re our exchange of wires yesterday regarding conference with Armed Services August 21. Board had in mind
"there would be only one representative from each Bank except in the case of Chicago and San Francisco where it was suggested that a representative also be sent from the Detroit and Los Angeles Branches respectively. The Board on yesterday received a further letter from the Director of the Office of Defense Transportation emphasizing importance of curtailing attendance of officials at Government meetings and in circumstances Board suggests that only one representative from your Bank attend the August 21 conference. Therefore please wire which of the representatives mentioned in your August 8 wire will attend."

Approved unanimously.

Thereupon the meeting adjourned.

Signed:

Assistant Secretary.

Approved:

Chairman.