

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, August 26, 1944, at 11:00 a.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 24, 1944, from Mr. Bethea recommending that Miss Berl R. Stroud be appointed as a file clerk in the Secretary's Office on a temporary basis for a period of not to exceed six months, with basic salary at the rate of \$1,440 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 (1) that if anything derogatory develops in the investigation of her references her services may be terminated immediately and (2) that if her services are satisfactory the appointment will be made permanent.

Approved unanimously.

Memorandum of this date from Mr. Bethea recommending that Mrs. Blanche M. Peacock 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

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which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination, with the understanding that if anything derogatory develops in the investigation of her references her services may be terminated immediately.

Approved unanimously.

Memorandum of this date from Mr. Bethea submitting the resignation of Paul H. Berntson as a clerk in the Secretary's Office, to become effective as of the close of business on October 17, 1944, and recommending that the resignation be accepted as of that date or an appropriate earlier date if any annual leave is used prior to his leaving the service of the Board on September 9, 1944.

The resignation was accepted as recommended.

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

"In view of the circumstances described in your letter of August 22, 1944, the Board of Governors approves the assignment of Mr. Ralph W. Scheffer to the Research Department without titular designation for a further period of six months beginning September 1, 1944."

Approved unanimously.

Telegram to Mr. Drinnen, First Vice President of the Federal Reserve Bank of Philadelphia, reading as follows:

"Board approves action your executive committee outlined your letter August 24 authorizing the temporary storing of currency notes in vaults your bank for account

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"of the State Bank of Ethiopia. It is noted that some changes are contemplated in the suggested form of letter from Governor Blowers to your bank and it is assumed that you will forward copy of the letter as finally received for our files."

Approved unanimously.

Letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"In view of the considerations outlined in your letter of August 10, 1944, the Board will interpose no objection to your Bank's purchasing the land at the rear of the Charlotte Branch building for \$10,500, which amount is \$500 more than that approved by the Board in its letter of January 6, 1944."

Approved unanimously.

Memorandum dated August 24, 1944, from Mr. Thomas, Assistant Director of the Division of Research and Statistics, submitting a letter dated August 17, 1944, from the Banking Editor of The Wall Street Journal which had been forwarded to the Board by Mr. Leedy, President of the Federal Reserve Bank of Kansas City, and which requested information as to the possible demand for bank credit after the war. This was a subject on which the Reserve Banks were making a special inquiry as a joint System project initiated by the Presidents' Conference, approved by the Board, and conducted under the auspices of a committee of which Mr. Sienkiewicz of the Philadelphia Bank was Chairman. The memorandum stated that it would seem inadvisable to give The Wall Street Journal the results of this inquiry before the Board and the other Reserve Banks

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and the committee in charge of the project had had a chance to see them, that President Williams of the Philadelphia Bank had addressed a letter to the Financial Editor of The Wall Street Journal to the effect that the Bank felt it inappropriate to furnish the answers before the study being conducted by the System was completed but would be happy to send the newspaper a copy of the report when it was finished, and that a copy of this letter had been sent by Mr. Williams to the Presidents of the other Federal Reserve Banks. The following proposed reply to President Leedy's letter was attached to the memorandum:

"This is in reply to your letter of August 21, enclosing an inquiry received from the Banking Editor of the Wall Street Journal. We understand that President Williams, Chairman of the Research Committee of the Presidents' Conference, has sent to all Reserve Banks a copy of his reply to this inquiry. The Board believes that this is a suitable type of reply under the circumstances, although it would not object to your expressing such views as you wish in answer to the inquiry."

The reply was approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.