

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, September 26, 1944, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. McKee
Mr. Draper
Mr. Evans

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary

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 September 25, 1944, were approved unanimously.

Memorandum dated September 26, 1944, from Mr. McKee recommending that the following increases in basic annual salaries of employees in his office be approved, effective October 1, 1944:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
E. Ralph Massey	Secretary to Mr. McKee	\$3,400	\$3,600
Dorothy B. Hoffman	Stenographer	2,200	2,300

Approved unanimously.

Memorandum dated September 23, 1944, from Mr. Leonard, Director of the Division of Personnel Administration, recommending that the basic salary of Dwight L. Allen, Personnel Technician in that Division, be

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increased from \$3,200 to \$3,500 per annum, effective October 1, 1944.

Approved unanimously.

Memorandum dated September 26, 1944, from Mr. Morrill recommending that Miss Ramona D. Arnold be appointed as a cafeteria helper in the Secretary's Office on a temporary basis for a period of 60 days, with basic salary at the rate of \$1,080 per annum, effective September 26, 1944.

Approved unanimously.

Memorandum dated September 26, 1944, from Mr. Morrill recommending that the temporary appointment of Mrs. Rosemary Wetnight, as a cafeteria helper in the Secretary's Office, be extended for an indefinite period and that her basic salary be increased from \$1,080 to \$1,200 per annum, effective October 1, 1944.

Approved unanimously.

Letter to Mr. Peterson, Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

"In accordance with the request contained in your letter of September 21, 1944, the Board approves the appointment of Gerald Eugene Hedrick as an assistant examiner for the Federal Reserve Bank of St. Louis. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

Letter to Mr. Day, President of the Federal Reserve Bank of San Francisco, reading as follows:

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"The Board approves the changes in the personnel classification plan of the Federal Reserve Bank of San Francisco and its Branches transmitted with your letter of September 14, 1944, except the establishment of the new position of Assistant Director of Research and the abolishment of the position of Assistant Chief in the Research Department.

"The establishment of the new position and the cancellation of the old were discussed with Mr. Oliver Wheeler, Director of Research, during his recent visit and at his suggestion, action on these proposed changes has been deferred pending his return to San Francisco and discussion of the matter with you. We shall await your further advice following such discussions.

"The increases in the maximum annual salaries for the several positions are approved effective September 16, 1944 subject to the receipt of revised certificates to support the increases. Suggestions as to the revisions are contained in a separate letter."

Approved unanimously.

Letter to Mr. Mangels, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Receipt is acknowledged of your letter of September 18, 1944, in which was enclosed a letter dated September 12, 1944, from the First Trust and Savings Bank of Pasadena, California, making application to the Board for approval of the establishment of a branch in the City of Alhambra, California, at or near the intersection of Valley and Atlantic Boulevards, together with a signed copy of a letter to the First Trust and Savings Bank of Pasadena from Superintendent of Banks Corlett dated September 1, 1944.

"Please advise the First Trust and Savings Bank of Pasadena that the Board has received and considered the application and has declined to approve the establishment of such branch."

Approved unanimously, together with the following letter to Honorable Preston Delano, Comptroller of the Currency, and

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to the Federal Deposit Insurance Corporation:

"For your information there are enclosed copies of correspondence between the First Trust and Savings Bank of Pasadena, California, and the Board relating to the application of the Pasadena bank for the establishment of a branch at Alhambra, California."

Telegram to Mr. Creighton, Chairman of the Federal Reserve Bank of Boston, stating that, subject to the conditions set forth in the telegram, the Board of Governors authorizes the issuance of a general voting permit, under the provisions of Section 5144 of the Revised Statutes of the United States, to the "Baystate Corporation", Boston, Massachusetts, entitling such organization to vote the stock which it owns or controls of the "Menotomy Trust Company", Arlington, Massachusetts, the "Norfolk County Trust Company", Brookline, Massachusetts, the "Harvard Trust Company", Cambridge, Massachusetts, "The Concord National Bank of Concord", Concord, Massachusetts, the "Middlesex County National Bank of Everett", Everett, Massachusetts, "The Appleton National Bank of Lowell", Lowell, Massachusetts, "The First National Bank of Mansfield", Mansfield, Massachusetts, the "Newton Trust Company", Newton, Massachusetts, the "Springfield National Bank", Springfield, Massachusetts, "The Union Market National Bank of Watertown", Watertown, Massachusetts, and the "Winchester Trust Company", Winchester, Massachusetts, at all meetings of shareholders of such banks, and that the period within which a permit may be issued pursuant to the authorization is limited

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to 30 days from the date of the telegram unless an extension of time is granted by the Board. The conditions contained in the telegram upon which the permit was authorized were as follows:

- "1. That, prior to issuance of general voting permit authorized herein, Federal Reserve Bank of Boston shall satisfy itself that Baystate Corporation has assets and liabilities substantially the same in amount and character as those shown in the pro forma statement, dated June 30, 1944, submitted with its application for a voting permit, except that the note receivable which actually represents other real estate shall not be carried at an amount in excess of the estimated liquidating value on the date of acquisition;
- "2. That, prior to the issuance of general voting permit authorized herein, applicant shall execute and deliver to you in duplicate an agreement in form accompanying Board's letter X-9385, except that (a) paragraphs numbered 1, 2, 4, and 5 shall be omitted and remaining numbered paragraphs appropriately re-numbered, and (b) lettered paragraphs and introductory sentence immediately preceding them shall be omitted;
- "3. That, prior to issuance of general voting permit authorized herein, applicant shall deliver to you in duplicate Exhibit N (Form P-4) executed by applicant and consented to by Lovell Park Trust, Watertown, Massachusetts, or furnish assurances satisfactory to you that it will deliver such Exhibit to you within 30 days after issuance of such permit."

The telegram also contained the following statements:

"In advising Baystate Corporation of the Board's authorization of the general voting permit authorized herein, it is requested that you direct attention to the fact that certain provisions of the articles of organization of the corporation and of the agreement dated July 31, 1944 between Old Colony Trust Associates and the corporation, submitted as a part of the corporation's application for a voting

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"permit, may possibly conflict with certain provisions of section 5144 R.S., the application for a voting permit, and the agreement required by condition numbered (2). Please advise Baystate Corporation that the Board authorized the issuance of the general voting permit with the understanding that the provisions of section 5144 R.S., the application for a voting permit, and the agreement required by condition numbered (2) will govern should an issue arise in the future with respect to any conflicting provisions. Please also advise Old Colony Trust Associates that the Board grants permission to change the character of its business and investments in accordance with the Plan of Reorganization described in its letter to the Board dated July 31, 1944."

Approved unanimously.

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

"This is in response to your letter of September 14 in which you enclosed copies of your correspondence with the Brunswick-Balke-Collender Company relative to billiard equipment. We note that in their request they place particular stress on our ruling S-763 which reversed the Board's previous ruling that bowling balls and bowling pins were to be regarded as listed articles. The decision to release these items from control was made with considerable hesitancy, as you know, for at that time we realized this would likely stimulate further requests from this company as well as from other merchandisers for exemption of other lines of goods.

"Mr. Stevens places considerable stress on the fact that these goods are used primarily in commercial undertakings. As you well know, the line of demarcation between goods sold for business and for consumer use is most hazy. In the case of bowling balls and bowling pins the evidence which was secured seemed to indicate that all but a minute percentage of the sales of these goods were made directly to business establishments. We are not so confident, however, that this holds true in the case of billiard equipment. It is our opinion that the equipment

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"is not infrequently bought by individuals and this would be particularly true of the smaller so-called non-standard sizes which have been sold by department stores and sporting goods houses. Whereas the Brunswick-Balke-Collender Company might be satisfied to limit this request to a certain standard and size, this would necessitate setting up technical qualifications difficult to interpret and hard to enforce.

"Consequently, before reaching a decision on this matter, we should like to have further information. We are wondering whether the Brunswick-Balke-Collender people would furnish us through you some of the following material and data: (1) A catalogue covering their billiard equipment which should cover prices as well as a description of the product; (2) the percentage of billiard equipment sales made to ultimate consumers and non-profit clubs in contrast to sales to commercial enterprises. Again, granting that Brunswick-Balke-Collender sales are made almost exclusively to commercial enterprises, does this hold true for other manufacturers of this kind of equipment? This information and other information you may obtain relative to the subject would be of assistance, and we should be pleased to have any recommendations you may care to make."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

Donald Hanson
Vice Chairman.