

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, February 9, 1945, at 10:40 a.m.

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

Mr. Morrill, Secretary
 Mr. Carpenter, Assistant Secretary
 Mr. Thurston, Assistant to the Chairman
 Mr. Smead, Director of the Division of
 Bank Operations
 Mr. Thomas, Director of the Division
 of Research and Statistics
 Mr. Vest, Assistant General Attorney

Chairman Eccles reported for the information of the Board that he had an appointment this afternoon to see Senators Wagner and Tobey, members of the Senate Banking and Currency Committee, with respect to the bill which would reduce the reserves required to be maintained by Federal Reserve Banks and would extend the authority of the Federal Reserve Banks to pledge Government securities as collateral for Federal Reserve notes. He also said that he proposed to discuss with the Senators the bill to amend section 13(b) of the Federal Reserve Act relating to industrial loans.

Telegrams to Messrs. Treiber and Clouse, Secretaries of the Federal Reserve Banks of New York and Cleveland, respectively, Mr. Leach, President of the Federal Reserve Bank of Richmond, Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, Mr. Stewart, Secretary

2/9/45

-2-

of the Federal Reserve Bank of St. Louis, Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Earhart, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approved the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on February 6, and by the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, Minneapolis, Kansas City, and Dallas on February 8, 1945, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Before this meeting there was circulated among the members of the Board a memorandum dated January 15, 1945, from Mr. Carpenter suggesting, for the reasons stated in the memorandum, that the following letter be sent to the Federal Reserve Agents and Presidents at all of the Federal Reserve Banks:

"In its letter of January 2, 1940, (S-197), the Board of Governors authorized a reduction to \$10,000 in the amount of the individual surety bonds required of the Federal Reserve Agents, Assistant Federal Reserve Agents, Alternate Assistant Federal Reserve Agents, and Federal Reserve Agent's Representatives at each of the Federal Reserve Banks. This action was taken with the understanding that the bankers' blanket bond carried by the Federal Reserve Banks was the revised bankers' blanket bond for the Federal Reserve Banks prepared by the Insurance Committee of the Presidents' Conference and a committee representing the Surety Association of America.

2/9/45

-3-

"The Board is of the opinion that the existing bankers' blanket bonds afford protection to the United States which is not identical with, but as a practical matter is generally equivalent to, that provided by the surety bonds, and it has been suggested that the surety bonds be discontinued altogether. The Board is inclined to agree with this suggestion, but inasmuch as any action that it might take in this connection would be of interest to the Federal Reserve Banks and the Federal Reserve Agents, it would like very much to have the views of the Federal Reserve Agent and President at each of the Banks concerning the suggestion. It will be appreciated, therefore, if you will consider the matter and advise whether you see any objection to the discontinuance of the surety bonds of the Federal Reserve Agent and his assistants now required by the Board.

"This letter is being sent to the Federal Reserve Agent and President at each of the Federal Reserve Banks."

Approved unanimously.

Mr. Evans stated that the Board had received a reply to its letter of January 30, 1945, to President Williams, Chairman of the Presidents' Conference Committee on Research and Statistics, and that Mr. Williams had stated that he believed the procedure outlined in the Board's letter for handling recommendations of the System Research Advisory Committee was a constructive step and should greatly facilitate cooperative efforts in developing System research work.

At this point Messrs. Smead, Thomas, and Vest withdrew from the meeting.

The action stated with respect to each of the matters herein-after referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on February 8, 1945, were approved unanimously.

2/9/45

-4-

Memoranda dated February 5, 1945, from Mr. Pollard, Assistant Director of the Division of Examinations, recommending that the following increases in basic annual salaries of employees in that Division be approved, effective February 16, 1945:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Frances Scott	Secretary to Mr. Pollard	\$2,040	\$2,160
Nancy Lee Chelberg	Stenographer	1,440	1,560
Audrey L. Moye	Stenographer	1,620	1,740

It was also recommended that Miss Chelberg be appointed on a permanent basis effective February 16, 1945.

Approved unanimously.

Memorandum dated February 9, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that Mrs. Lyda M. Sanders be appointed as a cafeteria helper in that Division on a temporary basis for a period of four months, with basic salary at the rate of \$1,380 per annum, effective February 9, 1945. The memorandum stated that Mrs. Sanders would not become a member of the Board's retirement system during the period of her temporary employment.

Approved unanimously.

Memorandum dated February 3, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the temporary appointment of Ernest J. Hopkins, an Economic Specialist in that Division, be extended for an additional period of not to exceed six

2/9/45

-5-

six months from February 15, 1945, with no change in his present basic salary at the rate of \$5,400 per annum and with the understanding that he will not become a member of the Board's retirement system.

Approved unanimously.

Letter to Mr. Koppang, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"The Board of Governors approves, effective January 1, 1945, the changes in the personnel classification plan of the Federal Reserve Bank of Kansas City and Branches, involving the establishment of the position of Manager, Credit Department, Head Office, and increases in maximum annual salaries for five positions, as submitted with your two letters of January 31, 1945.

"As requested in your other letter of January 31, the Board also approves, effective January 1, 1945, the payment of salaries in excess of the maximum annual salaries provided in the personnel classification plan for the positions occupied, as follows:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Mrs. Clara Lott	Secretary, Administrative Department, Head Office	\$2,676
Miss Mabel C. Beeler	Nurse and Dining Room Manager, Medical Department, Head Office	3,300
George M. Stewart	Supervisor of Operations and Maintenance, Head Office	3,900
Lawrence L. Miller	Supervisor, Fiscal Agency Department, Omaha Branch	3,600
J. R. Zahourek	Assistant Supervisor, Custody-R.F.C. Department, Oklahoma City Branch	2,580"

Approved unanimously, together with letters to the Wage Stabilization Division, National War Labor Board, and the Commissioner, Bureau of Internal Revenue, transmitting certificates of the Federal Reserve

2/9/45

-6-

Bank of Kansas City with respect to salary increases at the Bank.

Memorandum dated February 8, 1945, from Mr. Pollard, Assistant Director of the Division of Examinations, submitting a voucher for reimbursement for travel and other expenses incurred by Geo. S. Sloan, Federal Reserve Examiner, while he was on official business in Memphis, Tennessee, and Dallas, Texas. The memorandum stated that, because of the unavailability of the usual Pullman accommodations allowed by the Board's travel regulations, it was necessary for Mr. Sloan to accept a bedroom on the trip from Washington, D. C., to Memphis, and recommended that payment of the voucher, including the additional charge of \$6.25 for the bedroom, be approved.

Approved unanimously.

Thereupon the meeting adjourned.

Chesler Marrie
Secretary.

Approved:

McCool
Chairman.