

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, February 20, 1945, at 10:30 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

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 February 19, 1945, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on February 19, 1945, were approved unanimously.

Memorandum dated February 16, 1945, from Mr. Vest, Assistant General Attorney, recommending that J. Leonard Townsend be appointed as Assistant General Attorney, with basic salary at the rate of \$10,000 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination. The memorandum read in part as follows:

"Inasmuch as he has been handling the Transamerica matter for the Commission, Mr. Townsend would like, after coming with the Board, to devote a small amount of time

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"to finishing the loose ends in this connection. This may involve the preparation and making of an argument before the trial examiner and a later argument before the Commission. In so doing he would be representing the Commission although he would be on the Board's payroll. It is not expected that this work would take more than a few days time in the aggregate.

"It is contemplated that if, in connection with the adjustments in the Legal Division, the Board should employ another person at the level of Assistant General Attorney, Mr. Townsend's position in the Legal Division will be that of the second assistant, and he so understands.

"For some years past, Mr. Townsend has devoted one night a week to teaching in the Columbus University Law School, and he wishes to continue this arrangement, with the understanding, of course, that his teaching would not prevent his working here on any occasion when it should be necessary. It is assumed that there is no objection to this arrangement."

Mr. Townsend was a member of the Civil Service Retirement System and, therefore, would not become a member of the Board's retirement system.

Approved unanimously.

Memorandum dated February 20, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that Mrs. Elsie M. Drayton be appointed as a cafeteria helper in that Division on a temporary basis for a period of 60 days, with basic salary at the rate of \$1,200 per annum, effective February 20, 1945. The memorandum stated that Mrs. Drayton was a member of the Civil Service Retirement System.

Approved unanimously.

Letter to Mr. Rice, Vice President of the Federal Reserve Bank

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of New York, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of New York, involving the establishment of the Planning Department and the transfer of the Ration Check Section, as requested in your letter of February 14, 1945."

Approved unanimously.

Letter to the Presidents of all the Federal Reserve Banks reading as follows:

"For your information, there is enclosed a copy of a memorandum received by the Board from the War Department, dated February 15, 1945, signed by Colonel Paul Cleveland, regarding a question which has been raised as to the application of section 6(B) of the standard form of guarantee agreement of April 6, 1943, when one or more cancelled contracts upon which an adjustment was based become settled contracts. It will be noted that the memorandum states that the Navy Department concurs in the War Department's interpretation."

Approved unanimously.

Memorandum dated February 16, 1945, from Messrs. Thomas and Parry, Directors of the Division of Research and Statistics and the Division of Security Loans, respectively, recommending, for the reasons stated in the memorandum, that the sales finance company series with respect to consumer credit be transferred from the Bureau of the Census to the Board's organization, and that the Board approve the following letter to Mr. J. C. Capt, Director, Bureau of the Census:

"This is in reply to your letter of February 13 concerning transfer of the monthly survey of Sales Finance

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"Companies from the Bureau of the Census to the Federal Reserve System. The integration of this series with the consumer credit series now maintained by the Board will prove helpful to us in carrying out our regulatory functions and will facilitate a more orderly statistical coverage of the consumer credit field. The Board therefore has authorized the staff to proceed with the arrangements as previously discussed with Mr. Truppner of your staff.

"We shall, of course, wish to avail ourselves of your offer to turn over the pertinent back records. This information will enable us to maintain the series currently and will insure essential continuity in the data. In accordance with provisions of Section 1402 of the Second War Powers Act and in compliance with the regulations contained in Executive Order No. 9157 the following information is supplied in connection with this request:

"(a) The records in question will be utilized by the Board's Division of Research and Statistics.

"(b) Material should include previous schedules filed by respondents, monthly tabulations, mailing lists, card files of respondents, and relevant correspondence.

"(c) The original documents are requested.

"(d) Information is to be sent to Woodlief Thomas, Director, Division of Research and Statistics.

"(e) This information will be used in connection with discharging our responsibilities under Regulation W, issued under authority of the President's Executive Order of August 9, 1941.

"A copy of this request is being sent to the Division of Statistical Standards of the Bureau of the Budget in accordance with procedure set forth in Executive Order No. 9157. We shall also undertake to secure Budget Bureau approval for the report form before the expiration date of February 28, 1945.

"We appreciate very much your cordial assistance and that of your staff in facilitating this transfer. The arrangements as outlined in your letter are entirely satisfactory and we will expedite them as rapidly as possible."

Approved unanimously.

Memorandum dated February 17, 1945, from the Division of Examinations recommending that the budgets for the year 1945 for the bank

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examination departments of the respective Federal Reserve Banks be approved as submitted by the Banks in the following amounts:

<u>Federal Reserve Bank</u>	<u>Amount</u>
Boston	\$ 99,200
New York	397,970
Philadelphia	166,030
Cleveland	171,800
Richmond	120,728
Atlanta	55,700
Chicago	257,615
St. Louis	130,800
Minneapolis	53,019
Kansas City	72,080
Dallas	59,900
San Francisco	139,615

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. C. C. C.
Chairman.