

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, March 29, 1945, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
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 March 28, 1945, were approved unanimously.

Memorandum dated March 27, 1945, from Mr. Paulger, Director of the Division of Examinations, recommending that, effective as of the date upon which he enters upon the performance of his duties, Winfrey B. Aker be appointed on a temporary basis for a period of one year as an Assistant Federal Reserve Examiner, with basic salary at the rate of \$2,300 per annum, and with official headquarters at Kansas City, Missouri. The memorandum stated that Mr. Aker was a member of the Federal Reserve Retirement System.

By unanimous vote, Mr. Winfrey B. Aker was appointed on a temporary basis for a period of one year as an examiner to examine Federal Reserve Banks, member banks of the Federal Reserve System, and corporations operating under the provisions

3/29/45

-2-

of Sections 25 and 25(a) of the Federal Reserve Act, for all purposes of the Federal Reserve Act and of all other acts of Congress pertaining to examinations made by, for, or under the direction of the Board of Governors of the Federal Reserve System, and was designated as an Assistant Federal Reserve Examiner, with official headquarters at Kansas City, Missouri, and with basic salary at the rate of \$2,300 per annum, all effective as of the date upon which he enters upon the performance of his duties.

Memorandum dated March 27, 1945, from Mr. Paulger, Director of the Division of Examinations, recommending that, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination, Frederick A. Dons be appointed on a temporary basis for an indefinite period as an Assistant Federal Reserve Examiner, with basic salary at the rate of \$3,000 per annum, and with official headquarters at Chicago, Illinois. The memorandum stated that Mr. Dons would become a member of the Board's retirement system.

By unanimous vote, Mr. Frederick A. Dons was appointed on a temporary basis for an indefinite period as an examiner to examine Federal Reserve Banks, member banks of the Federal Reserve System, and corporations operating under the provisions of Sections 25 and 25(a) of the Federal Reserve Act, for all purposes of the Federal Reserve Act and of all other acts of Congress pertaining to examinations made by, for, or under the direction of the Board of Governors of the Federal Reserve System, and was designated as an Assistant Federal Reserve Examiner, with official headquarters

3/29/45

-3-

at Chicago, Illinois, and with basic salary at the rate of \$3,000 per annum, all effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination.

Memorandum dated March 27, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that, for the reasons stated in the memorandum, the appointment of Mrs. Ruth F. Gould as a clerk in that Division be placed on a part-time basis of 24 hours each week (one-half of the present work week) for a period of not to exceed one year, and that her compensation be at the rate of a basic salary of \$840 per annum plus 15 per cent additional compensation, effective April 1, 1945. The memorandum stated that Mrs. Gould would continue her membership in the Board's retirement system.

Approved unanimously.

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

"The Board of Governors approves the change in the personnel classification plan of the Federal Reserve Bank of New York, involving an increase in the maximum annual salary for the position of Machine Repairman, Transit Division, Check Department, as indicated in the certificate enclosed with your letter of March 23, 1945.

"It is assumed that a new Form A page reflecting this change will be submitted to the Board in due course."

Approved unanimously, together with a letter to the Wage Stabilization Division, National War Labor Board, transmitting a certificate of the Federal Reserve Bank of New York with respect to a salary increase at the Bank.

3/29/45

-4-

Letter to Mr. Meyer, Assistant Cashier of the Federal Reserve Bank of Chicago, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of Chicago, involving the establishment of one new position and revisions in the descriptions of work for four positions, as submitted with your letter of March 23, 1945."

Approved unanimously.

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

"Thank you for your letter of March 23, 1945, regarding the 'policing arrangement' which has been made with General Finance Corporation in connection with Consumers Home Equipment Co. It is very gratifying to have enlisted the assistance of General Finance Corporation, and the elaborate instructions of that Corporation to its auditors (which were evidently prepared with the aid of your Bank) indicate a sincere effort to make the arrangement effective. As you indicate in the last paragraph of your letter, it is hardly likely that any arrangement will permanently dispose of this case.

Approved unanimously.

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

"During recent months particularly, the Congress and others have given considerable thought and study to the conditions with which small business will be faced when the time comes to discontinue production for war and to resume full-scale peacetime operations. There is a large body of opinion to the effect that a substantial portion of the country's small business enterprises will not come through the war in a sufficiently sound condition to enable them to obtain enough credit from the commercial banks to

3/29/45

-5-

"finance their proposed peacetime operations. If true, this might seriously affect their ability to supply their portion of the jobs that must be forthcoming if we are to have a prosperous post-war economy. That some form of Government support in this field will be provided seems to be taken for granted. There is a wide difference of opinion, however, as to the form this support should take and how extensively it will be needed. Adequate answers to these questions must be based on more complete information than is now available to the Board.

"The Federal Reserve Banks, with their 36 offices, located in the different sections of the country, and with their experience under Section 13b of the Federal Reserve Act and under Regulation V, should have and be able to accumulate much valuable information with respect to the credit needs of small business enterprises in the reconversion period. Accordingly, it will be appreciated if you will have your staff put together such information on this subject as you are able to obtain during the next few weeks and furnish it to the Board at the end of April.

"While the Board does not wish to prescribe any formula for obtaining this information, it does not believe that it would be worth while to resort to the use of printed questionnaires for the purpose. Your bank relations men and the officers and senior employees of your Bank should be able to gather adequate information during their personal contacts with banking and business interests in the District. It is hoped that they will find an opportunity over the next few months to contact a considerable number of businessmen for their views on this subject, and particularly with respect to the amounts and kinds of credit, over and above that which can be obtained from the banks, which will be needed in their communities if all worthy requirements are to be met.

"It is realized that this request is not in specific terms but it is thought that you will be glad to use your own judgment as to the kind and form of data obtainable that will be useful to the Board. With your April replies before it, the Board may find it feasible to formulate a coordinated program for the obtaining of the desired data. For the time being, and until this can be done, it will be appreciated if you will follow your April report with monthly supplemental reports."

Approved unanimously.

3/29/45

-6-

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

"There has been forwarded to your Bank under separate cover the usual number of copies of the Functional Expense Exhibit for the calendar year 1944. This is the first Exhibit prepared since the report was revised to conform to the recommendations made by the Special Committee of the Presidents' Conference on Simplification of Functional and Operating Reports.

"An examination of the Exhibit discloses relatively wider disparities than usual among the Banks in unit costs and in output per employee in those functions for which unit costs are shown. It is realized, of course, that this is due, in part at least, to the unsettled personnel situation which has been much more acute in certain sections of the country than in others. In view of these relatively wide variations, it is assumed that your staff will make an especially careful analysis of the figures shown in the Exhibit. Following such analysis it will be appreciated if you will furnish the Board with a copy of such information as may be developed that you think would be of interest to it, including information with respect to wide differences in unit costs, and in output per employee."

Approved unanimously.

Thereupon the meeting adjourned.

Robester Morrie
Secretary.

Approved:

Ronald Ransom
Vice Chairman.