

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, May 16, 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 May 15, 1945, were approved unanimously.

Memorandum dated May 10, 1945, from Mr. Parry, Director of the Division of Security Loans, recommending that the title of Miss Lucille Barnett be changed from clerk to research assistant in that Division and that her basic salary be increased from \$2,200 to \$2,400 per annum, effective at the beginning of the first pay roll period following approval by the Board.

Approved unanimously, effective May 16, 1945.

Memorandum dated May 10, 1945, from Mr. Parry, Director of the Division of Security Loans, recommending that the basic salary of Otto H. Branick, a messenger in that Division, be increased from

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\$1,500 to \$1,560 per annum.

Approved unanimously, effective May  
16, 1945.

Memorandum dated May 14, 1945, from Mr. Leonard, Director of the Division of Personnel Administration, recommending that the following increases in basic annual salaries of employees in that Division be approved, effective at the beginning of the pay roll period following approval by the Board:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Evelyn L. Underwood	Leave Clerk	\$1,620	\$1,740
June A. Moore	Clerk-Stenographer	2,040	2,160
Dorothy M. Shock	Secretary to Mr. Leonard	2,500	2,700

Approved unanimously, effective May  
16, 1945.

Letter to the Federal Reserve Agents at all the Federal Reserve Banks reading as follows:

"In its letter of February 9, 1945, the Board requested the views of the Federal Reserve Agents and the Presidents of the Federal Reserve Banks with respect to the proposed discontinuance of the individual surety bonds required by the Board of Federal Reserve Agents, Assistant Federal Reserve Agents, Alternate Assistant Federal Reserve Agents, and Federal Reserve Agent's Representatives. While one of the Federal Reserve Banks has suggested certain practical and legal questions for consideration in connection with the proposal, these questions had been considered by the Board before writing its letter of February 9, and all of the other Federal Reserve Banks and all Federal Reserve Agents' offices, except one, have advised that they see no objection to the discontinuance of the bonds. The one Federal Reserve Agent who did not reply is away from the Bank on a special

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"assignment for the Government and will not return for some time.

"Careful consideration has been given to the replies, and inasmuch as the existing bankers' blanket bonds in effect at the Federal Reserve Banks afford protection to the United States which as a practical matter is generally equivalent to that provided by the surety bonds, the Board of Governors has decided that it no longer will require individual surety bonds of the Federal Reserve Agents and their assistants.

"In order that your Bank may obtain refunds on the premiums on outstanding bonds, the Board is prepared to address letters to the bonding companies releasing such companies from obligation on such bonds for any acts committed by the respective principals named therein subsequent to May 31, 1945. Therefore, it will be appreciated if, in accordance with the procedure followed in the past, you will advise whether there is any objection to the release of the bonds covering yourself and your assistants as of that date."

Approved unanimously, together with  
the following letter to the Presidents of  
all the Federal Reserve Banks:

"For your information, there is enclosed a copy of a self-explanatory letter which is being sent to the Federal Reserve Agents at all of the Federal Reserve Banks today with respect to the discontinuance of the surety bonds of the Federal Reserve Agents and their assistants."

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

"Enclosed you will find a draft of informal minutes of the conference on May 4 that you, Mr. Williams, and Mr. Knoke attended here in the Board's offices and also a draft of a letter embodying the understanding we agreed on. If you find that either needs corrections to meet your own understanding of the arrangement or to improve the wording, please indicate it. If the text of the letter

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"covers the matter satisfactorily, it will be submitted to the Board for approval and sent you formally."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris  
Secretary.

Approved:

McAuley  
Chairman.