

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, June 9, 1945, at 11:00 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 June 8, 1945, were approved unanimously.

Memorandum dated June 5, 1945, from Mr. Vest, General Attorney, recommending that the following increases in basic annual salaries of employees in the Legal Division be approved, effective at the beginning of the pay roll period following approval by the Board:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Howard H. Hackley	Attorney	\$5,800	\$6,400
Lucy I. McColloch	Secretary to Mr. Vest	2,400	2,600
Frances C. Cashell	Secretary to Mr. Townsend	2,400	2,600
Jean Crosby	Stenographer	1,920	2,040

Approved unanimously, effective June 16, 1945.

Memorandum dated June 5, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Mrs. Janet Goodrich Chapman be appointed as an economist in that Division on a

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temporary basis for an indefinite period, with basic salary at the rate of \$2,600 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination. The memorandum stated that Mrs. Chapman 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 June 7, 1945, from Mr. Nelson, Assistant Director of the Division of Administrative Services, recommending that Wylie Ratliff be employed as a laborer in that Division on a temporary basis for an indefinite period, with basic salary at the rate of \$1,200 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, with the understanding that if anything derogatory develops in the investigation of his references his services may be terminated immediately. The memorandum stated that Mr. Ratliff would become a member of the Board's retirement system.

Approved unanimously.

Letter to Mr. Rounds, Chairman, Retirement Committee, Retirement System of the Federal Reserve Banks, Federal Reserve Bank of New York, reading as follows:

"Reference is made to your letter of February 28,

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"1945, transmitting a copy of the working rules of the Board Plan and stating that the Retirement Committee is prepared to approve the rules if they are approved by the Board.

"The Board approves the rules as written, with the understanding that they do not amend or modify the Board's resolution of November 2, 1943.

"The Board appreciates your calling its attention to the two provisions which the Committee feels should be changed. It agrees that in some individual cases the requirements in question might be quite harsh. However, it may be a considerable time before a case involving such hardships arises and it is possible that in the meantime the Civil Service requirements in these respects may be changed. The Board, therefore, feels that it would be preferable not to make the suggested deviations from Civil Service practice at this time, but to defer consideration of the suggested changes pending future developments."

Approved unanimously.

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

"Relet May 28. In view of your recommendation Board approves the establishment and operation of an additional branch in Stockton, California, by American Trust Company, San Francisco, California. It is understood that counsel for the Reserve Bank will review all steps taken to establish the branch and satisfy himself as to the legality thereof."

Approved unanimously.

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

"This refers to your letter of May 12, 1945, regarding the reservation by member banks of the right to require notice of withdrawal of savings deposits in the light of the Board's letter of April 9, 1945, and its enclosure (S-841).

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"Your letter indicates that the savings passbooks issued by certain member banks in your district do not expressly reserve the right to require not less than 30 days' written notice of withdrawal; and you suggest the desirability of incorporating in the Board's Regulation Q a provision that passbooks should contain such a provision.

"As indicated in the enclosure with the Board's letter of April 9, while Regulation Q does not technically require the inclusion of express provisions in savings passbooks, the Board nevertheless feels that, even where a State statute authorizes the bank to reserve the right to require notice, a deposit represented by a passbook which makes no reference to such a statute does not comply with the spirit of the requirements of Regulation Q. Where there is no such statute, a deposit could not, of course, comply even technically with the definition of a 'savings deposit' unless the bank legally has the right, by reservation or otherwise, to require not less than 30 days' written notice. In a number of instances, a non-compliance of this nature has been disclosed as the result of examinations of member banks, as, for example, where the passbook does not provide for written notice; and in such cases it has been suggested to the bank that it reprint or correct its passbooks at a convenient opportunity in order to comply with the Board's Regulation.

"Heretofore, the matter has not been deemed of such importance as to justify an amendment to Regulation Q for the purpose of requiring that savings passbooks expressly contain a reservation of the right to require not less than 30 days' written notice. However, your suggestion will be borne in mind and the practices of member banks in this respect will continue to be observed in the course of examinations in order that consideration may be given to the desirability of amending the Regulation if the situation should seem to warrant it."

Approved unanimously.

Letter to the Comptroller of the Currency reading as follows:

"It is respectfully requested that you place an order with the Bureau of Engraving and Printing for printing

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"27,379,000 sheets of Federal Reserve notes of the 1934 Series during the fiscal year ending June 30, 1946, in the amounts and denominations stated for the following Federal Reserve Banks:

	<u>Denomi- nations</u>	<u>Number of sheets</u>	<u>Amount</u>
Boston	\$5	1,200,000	\$72,000,000
	10	375,000	45,000,000
New York	5	1,700,000	102,000,000
	10	4,125,000	495,000,000
	20	2,075,000	498,000,000
	50	160,000	96,000,000
Philadelphia	5	1,500,000	90,000,000
	10	600,000	72,000,000
	20	225,000	54,000,000
Cleveland	5	1,150,000	69,000,000
	50	45,000	27,000,000
	100	40,000	48,000,000
Richmond	5	1,100,000	66,000,000
	10	625,000	75,000,000
	20	550,000	132,000,000
	50	45,000	27,000,000
	100	100,000	120,000,000
Atlanta	500	1,000	6,000,000
	5	1,200,000	72,000,000
	10	325,000	39,000,000
	20	900,000	216,000,000
	50	65,000	39,000,000
Chicago	100	75,000	90,000,000
	1000	2,000	24,000,000
	5	3,050,000	183,000,000
	10	300,000	36,000,000
	20	425,000	102,000,000
St. Louis	100	35,000	42,000,000
	5	400,000	24,000,000
	10	175,000	21,000,000
	20	275,000	66,000,000
Minneapolis	100	35,000	42,000,000
	100	10,000	12,000,000
Kansas City	5	600,000	36,000,000
	20	275,000	66,000,000
	50	25,000	15,000,000
	100	35,000	42,000,000
	500	2,000	12,000,000
	1000	1,000	12,000,000

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	<u>"Denomi- nations</u>	<u>Number of sheets</u>	<u>Amount</u>
Dallas	\$5	150,000	\$ 9,000,000
	10	750,000	90,000,000
	20	500,000	120,000,000
	50	30,000	18,000,000
	100	35,000	42,000,000
San Francisco	500	1,000	6,000,000
	5	850,000	51,000,000
	20	1,000,000	240,000,000
	50	125,000	75,000,000
	100	110,000	132,000,000
	500	2,000	12,000,000
Total	\$5	12,900,000	774,000,000
	10	7,275,000	873,000,000
	20	6,225,000	1,494,000,000
	50	495,000	297,000,000
	100	475,000	570,000,000
	500	6,000	36,000,000
	1000	3,000	36,000,000"

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morie
Secretary.

Approved:

W. S. ...
Chairman.