

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, January 6, 1943, 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. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, 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 January 4, 1943, were approved un-animously.

Letter dated January 5, 1943, to Mr. Creighton, Federal Reserve Agent at the Federal Reserve Bank of Boston, reading as follows:

"In accordance with the recommendation contained in Mr. Paddock's letter of December 29, 1942, the Board of Governors approves the payment of a salary to Mr. Clifford E. Morrissey, Alternate Assistant Federal Reserve Agent at the Federal Reserve Bank of Boston, at the rate of \$2,400 per annum, effective January 1, 1943."

Approved unanimously.

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

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"In view of the circumstances set forth in your letter of December 24, 1942, and in accordance with your request, the Board of Governors approves the continuation of salary to Mr. Richard Major at the present rate of \$3,500, which is \$500 in excess of the maximum annual salary for the position under the Personnel Classification Plan."

Approved unanimously.

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

"In accordance with the requests contained in your letters of December 31, 1942, the Board approves the appointment, effective as of January 1, 1943, of Harold E. Donovan, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Kansas City and the appointment of Byron A. Wilson as an assistant examiner for the Federal Reserve Bank of Kansas City.

"Please advise us of the date upon which Mr. Wilson's appointment becomes effective."

Approved unanimously.

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

"In accordance with the request contained in your letter of January 2, 1943, the Board approves the designation of the following as special assistant examiners for the Federal Reserve Bank of Kansas City:

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|--------------------|------------------|
| Browning, Linza C. | Laskey, Wm. |
| Crouch, Jno. H. | Loncar, Frank E. |
| Dewey, Geo. A. | Parsons, Jno. F. |
| Elder, Wm. Lloyd | Sanford, Paul R. |
| Emery, A. E. | Taylor, Robt. M. |
| Hooper, Chas. W. | Wymore, Jno. M." |
| Kinder, Ralph H. | |

Approved unanimously.

Letter to the Federal Deposit Insurance Corporation, reading as follows:

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"Pursuant to the provisions of section 12B of the Federal Reserve Act, as amended, the Board of Governors of the Federal Reserve System hereby certifies that the Citizens Bank of Montana, Havre, Montana became a member of the Federal Reserve System on January 4, 1943 and is now a member of the System. The Board of Governors of the Federal Reserve System further hereby certifies that, in connection with the admission of such bank to membership in the Federal Reserve System, consideration was given to the following factors enumerated in subsection (g) of section 12B of the Federal Reserve Act:

1. The financial history and condition of the bank,
2. The adequacy of its capital structure,
3. Its future earnings prospects,
4. The general character of its management,
5. The convenience and needs of the community to be served by the bank, and
6. Whether or not its corporate powers are consistent with the purposes of section 12B of the Federal Reserve Act."

Approved unanimously.

Letter to "The Farmers and Mechanics National Bank of Westminster", Westminster, Maryland, reading as follows:

"This refers to the resolution adopted on February 3, 1942, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

"The Board, understanding that your bank has been discharged or otherwise properly relieved in accordance with the law of all of its duties as fiduciary, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is enclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of

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"the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal Reserve Act except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

Telegram to Mr. Hays, Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"Re telegram January 4 concerning floods in fourth district. This seems quite appropriate occasion for use of section 8(h) of Regulation W. We suggest for your consideration that it might be advisable to follow up your ruling with a designation of the boundaries of the areas considered to be affected and possibly to place some limit on the time during which the exemption is effective."

Approved unanimously.

Thereupon the meeting adjourned.

Robert Morrie
Secretary.

Approved:

W. C. C. C.
Chairman.