

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, July 21, 1943, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
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 July 20, 1943, were approved unanimously.

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

"The Board of Governors approves the change in the personnel classification plan of the Federal Reserve Bank of Chicago involving the establishment of the position of Assistant Chief, Filing Unit, Registered Surrenders Division, Bond Department, as submitted with your letter of July 14, 1943."

Approved unanimously.

Memoranda dated July 16 and 17, 1943, from Mr. Paulger, Chief of the Division of Examinations, stating that arrangements had been made with the Federal Reserve Banks of Philadelphia and New York for

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the loan for a period of three or four months of the services of Examiners Henry Benner and Henry W. Evans from the Philadelphia Bank and Arthur W. Mitchell from the New York Bank, to assist in the examination of Transamerica Corporation, under which the respective Banks would continue to carry these men on their pay rolls and take care of their actual necessary travel and living expenses while on this assignment and at the conclusion of the assignment bill the Board for the actual necessary expenses incurred, exclusive of salaries. The memoranda also stated that it was contemplated that the Federal Reserve Bank of San Francisco would request that these men be designated as examiners for that Bank for this particular assignment.

The memorandum of July 16 contained the further statement that arrangements had been made with the Federal Reserve Banks of Chicago and St. Louis for the loan for a period of two or three months of the services of L. H. Jones and for a period of two weeks of the services of Jerome H. Gales, employees of the respective Banks, to assist in the examination of the Axton-Fisher Company of Louisville, Kentucky, in connection with the examination of Transamerica Corporation, that their designation as examiners for this assignment would be requested by the San Francisco Reserve Bank, and that it was hoped to make the same arrangements with the Chicago and St. Louis Banks with respect to the

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expenses of Messrs. Jones and Gales as were made with the New York and Philadelphia Banks.

The memoranda recommended that the arrangements as outlined above be approved and that Mr. Paulger be authorized to complete the arrangements with the Chicago and St. Louis Banks for the services of Messrs. Jones and Gales.

Approved unanimously.

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

"Referring to your letter of July 12, the Board extends until August 17, 1943, the time within which the First Trust & Savings Bank, Pasadena, California, a subsidiary of Transamerica Corporation, shall file affiliate reports in connection with the bank's June 30, 1943, call report. It is understood that the Comptroller of the Currency has extended until August 17, 1943, the time in which national bank subsidiaries of Transamerica Corporation shall file their affiliate reports."

Approved unanimously.

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

"There is enclosed a copy of a letter of July 13 from the Security-First National Bank of Los Angeles, together with its enclosure, with regard to the right of a national bank to invest trust funds in its own savings department pursuant to a recent State statute. It will be appreciated if you will give the Security-First National Bank appropriate advice in the premises.

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"As you are aware, in the ordinary course the investment of trust funds by a national bank is a matter for State regulation in the absence of Federal law or regulations which may conflict therewith. The Board, under section 11(k), is authorized to issue regulations to enforce the proper exercise of trust powers by national banks and in the instance referred to by the Security-First National Bank the Board's regulation appears to be more restrictive than the recently amended State law. In the circumstances, the national bank would be controlled by the provisions of the Board's regulation.

"With regard to the apparent conflict in the provisions of sections 10 and 11 of Regulation F referred to by the Security-First National Bank, the general provisions in section 10 should be read in the light of the specific restrictive provisions contained in section 11."

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, supplementing the order of June 15, 1943, for printing of \$10,800,000 of Federal Reserve notes of the 1934 Series for the Federal Reserve Bank of St. Louis in the \$1,000 denomination."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morley
Secretary.

Approved:

W. Stead
Chairman.