A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, November 1, 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 hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on October 30, 1943, were approved unanimously.

Letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

> "In accordance with the request contained in your letter of October 27, 1943, the Board approves the appointment, effective November 1, 1943, of Herbert I. Lewis as an assistant examiner for the Federal Reserve Bank of Richmond."

Approved unanimously.

Letter to Mr. Hitt, First Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

> "In accordance with the request contained in your letter of October 26, 1943, the Board approves the appointment of Harry A. Dougherty as an assistant examiner

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"for the Federal Reserve Bank of St. Louis. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

Letter to the board of directors of the "Houston Land and Trust Company", Houston, Texas, stating that, subject to conditions of membership numbered 1 to 6 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Dallas.

The letter also contained the following special comment:

"It appears that the bank possesses certain powers which are not being exercised and which are not necessarily required in the conduct of a banking and trust business, such as the power to guarantee stocks, bonds and other securities. Attention is invited to the fact that if the bank desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board before exercising them. In this connection, the Board understands that there has been no change in the scope of corporate powers exercised by the bank since the date of its application for membership."

Approved unanimously, together with a letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the 'Houston Land and Trust Company', Houston, Texas, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution.

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"Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Commissioner, Department of Banking for the State of Texas, for his information.

"In connection with the unusual powers possessed by this bank, no statement was submitted from counsel showing in detail what powers, if any, other than the usual commercial banking powers, the applying institution is authorized to exercise under its charter or State law, and your attention is directed to the Board's letter of March 7, 1936 (X-9514; F.R.L.S. #3473) requesting this information in all cases.

"It is noted that six directors are provided for in the bank's charter, whereas the actual number now serving, as indicated in the membership examination report, is seven. Article 387 of Vernon's Texas Civil Statutes provided that the number of directors might be changed from time to time without amendment of the charter, by resolution of the stockholders, a certified copy of which should be forwarded to the Commissioner to be filed by him in the charter file of the corporation. A copy of this resolution changing the number of directors from six to seven was not included among the papers certified by the Deputy Banking Commissioner, possibly because the resolution is not technically an amendment to the charter. However, it seems desirable to call this matter to the bank's attention for such action as it may wish to take if the resolution was not filed with the commissioner as required by law."

Letter to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"In accordance with the recommendation of the Executive Committee of the Federal Reserve Bank of Atlanta, the Board of Governors of the Federal Reserve System, pursuant to the provisions of Section 13 of the Federal Reserve Act, authorizes The National Bank of Commerce in New Orleans, New Orleans, Louisiana, to accept drafts or bills of exchange to an amount (which amount shall include any drafts and bills of exchange accepted by other banks for its account) not exceeding at any one time in the aggregate 100 per centum of its paid-up and unimpaired capital stock and surplus subject to the provisions of

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"the Federal Reserve Act and the Board's Regulation C issued pursuant thereto.

"Please advise The National Bank of Commerce in New Orleans accordingly.

"Enclosed for your information is a copy of a letter addressed to the Comptroller of the Currency advising of the Board's approval of the application."

Approved unanimously.

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

"Referring to your letter of October 12, the Board of Governors approves the action of your board of directors in recommending that 'full powers' be granted your Oklahoma City Branch.

"In approving the recommendation of your directors, the Board understands that the reserve accounts of all member banks in the Oklahoma City Branch territory will be maintained on the books of the Branch. It is also understood from Governor Szymczak's talk with you when you were in Washington recently that it is the intention of your Bank to have, as soon as it is feasible to do so, all member banks in the Oklahoma City Branch territory conduct all their Federal Reserve transactions through the Branch.

"Please notify the Board of the date on which full powers are granted to the Oklahoma City Branch and the date as of which the Branch will become a direct settling Branch through the Interdistrict Settlement Fund. Please also advise each other Federal Reserve Bank of the date on which the Branch will settle directly through the Interdistrict Settlement Fund."

Approved unanimously.

Letter to the Presidents of all the Federal Reserve Banks except Boston and Philadelphia, reading as follows:

"As you no doubt know, the subject of the utilization of Federal Reserve Branches was discussed at the fiscal agency conference, which was held in Chicago on October 18-23, 1943.

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"During the discussion of the above topic, Mr. Bell told the representatives present at the conference that the Treasury would be guided by the wishes of each Reserve Bank with respect to the handling of fiscal agency transactions at its Branches. In this connection, he suggested that the Reserve Banks advise the Treasury in detail of just what setup they desire at their Branches.

"Certain Banks have previously advised that they would like to have complete stocks of market issues maintained at their Branches so that the Branches may make incoming wire transfers of securities, denominational exchanges, etc. While additional stocks will have to be printed in order to make these services available at the Branches, Mr. Bell advised that the Treasury would try to take care of all such requests.

"Certain informal discussions have been had with the Treasury since the conference, and we understand that very little can be done at this time until at least a rough estimate is received as to the amount of stock of each market issue which it is desired be maintained at the Branches. Mr. M. R. Loafman, Chief, Division of Public Debt Accounts and Audit, distributed at the conference a form to be used by the Reserve Banks in reporting such information to the Treasury.

"We would appreciate very much receiving copies of your correspondence with the Treasury on this subject including a copy of your statement showing the estimated stock requirements of your Branches."

Approved unanimously.

Memorandum dated October 29, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, for the reasons stated in the memorandum, that the sum of $300 be added to each of the items of Telephone and Telegraph and Stationery and Supplies in the 1943 nonpersonal budget of that Division.

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morrill
Secretary.

Approved: M S Eccles
Chairman.

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