A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, February 19, 1944, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Draper
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 February 18, 1944, were approved unanimously.

Memorandum dated February 16, 1944, from Chairman Eccles stating that he had discussed with Lauchlin Currie, former Assistant Director of the Division of Research and Statistics, the question of his being retained as a member of the Board's organization on leave without pay and that Mr. Currie had advised that he had no further interest in continuing beyond January 16, 1944, the arrangement previously in effect for carrying him on the Board's pay roll as being on leave without pay. It was understood that a similar arrangement under which Mrs. Eleanor Myer, Secretary to Mr. Currie, was carried on the pay roll as on leave of absence without pay would not be extended beyond
January 16, 1944.

Noted.

Letter to the board of directors of "The Johnstown Bank", Johnstown, New York, stating that, subject to conditions of membership numbered 1 to 6 contained in the Board's Regulation H and the following special condition, 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 New York:

"7. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of $3,295, as shown in the report of examination of such bank as of January 4, 1944, made by an examiner for the Federal Reserve Bank of New York."

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

"The Board of Governors of the Federal Reserve System approves the application of 'The Johnstown Bank', Johnstown, New York, 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. 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 Superintendent of Banks for the State of New York, for his information.

"Standard condition of membership numbered 6 has been prescribed in order that its provisions may be invoked at any time in the future if necessary, but as in other cases and in accordance with the general authorization previously granted by the Board, you are authorized to waive compliance with the condition until further notice insofar as the condition applies to funds which are given statutory preference in the State of New York."
Memorandum dated February 16, 1944, from the Personnel Committee, submitting the name of Frank Baker of Montevallo, Alabama, as a director of the Birmingham Branch of the Federal Reserve Bank of Atlanta for the unexpired portion of the term ending December 31, 1945, and recommending (1) that the Chairman of the Federal Reserve Bank of Atlanta be requested to ascertain informally whether Mr. Baker would accept appointment and (2) that the appointment be tendered if he would accept.

Approved unanimously.

Letter to "The First National Bank of Red Wing", Red Wing, Minnesota, reading as follows:

"This refers to the resolution adopted on July 13, 1943, 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 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.

Letter prepared for the signature of Mr. Dreibelbis, General Attorney, to Honorable Wendell Berge, Assistant Attorney General, Department of Justice, reading as follows:

"This is in connection with your letter of January 29, 1944, and the further conversations which I have had with Mr. Baldridge in your office regarding the availability of certain data in the Board's files which you believe may be pertinent to an investigation you are making of the activities of Transamerica Corporation and the Transamerica group.

"In discussing the matter with Mr. Baldridge we agreed that, under all circumstances, such information as was obtained from the Board's files would be kept confidential unless it became necessary to work out some other mutually satisfactory arrangement. I also expressed the hope that the Board, in view of its responsibilities in connection with the supervision of banks and bank holding companies, would have ample opportunity to discuss in advance the objectives of any litigation which might be under consideration and which would have an effect upon the bank or bank holding company situation. Mr. Baldridge concurred in the desirability of so doing.

"With these understandings, which I would appreciate your confirming for the Board's files, the Board has authorized me to say that it will be glad to cooperate with your Department in supplying such information as the Board has. Since the number of copies of papers which are desired is numerous and they extend over a long period of time, I suggest that you ask Mr. Baldridge to get in touch with me in order that we may work out ways and means of making them available."

Approved unanimously.
Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

Chairman.