

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, August 25, 1944, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Draper

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:

Telegrams to Messrs. Treiber, Clouse, Keesee, Dillard, and Stewart, Secretaries of the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, and St. Louis, respectively, Mr. Ziemer, Vice President of the Federal Reserve Bank of Minneapolis, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Earhart, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approved the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on August 22 and by the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, Minneapolis, Kansas City, and Dallas on August 24, 1944, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated August 22, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that

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Robert D. Carey be appointed as an economist in that division, with basic salary at the rate of \$2,900 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 and subject to a satisfactory check of his references.

Approved unanimously.

Memorandum dated August 23, 1944, from Mr. Paulger, Director of the Division of Examinations, recommending that, because of illness, an additional leave of absence without pay of 15 days be extended to Laurence E. Skees, an examiner in that Division, with the understanding that he will make the necessary payments to continue his death benefits under the retirement system during that period.

In accordance with the recommendation, the leave of absence without pay granted to Mr. Skees was extended through August 31, 1944.

Letter dated August 24, 1944, to the board of directors of "The South Shore Bank of Staten Island", Great Kills, Staten Island, New York, stating that, subject to conditions of membership numbered 1 to 3 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 New York.

Approved unanimously for transmission through the Federal Reserve Bank of New York.

Letter to the Presidents of all the Federal Reserve Banks reading as follows:

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"For your information, there is enclosed a copy of a letter dated August 18, 1944, addressed to the Board by Mr. Robert H. Hinckley, Director of Contract Settlement, enclosing a copy of General Regulation No. 1 of the Office of Contract Settlement, signed by the Director on August 18, 1944, to which are appended Exhibits A, B, and C.

"As you will note from the second paragraph of the Director's General Regulation No. 1, technical amendments not affecting policy may be made in Exhibits B and C, that is, in the standard Termination Loan Agreement and in the Explanatory Notes. We will, of course, advise you of any such changes which may be made in these documents before the T-loan program is finally put into effect and the documents are authorized to be used."

Approved unanimously.

Telegram to Mr. Baker, Assistant Cashier of the Federal Reserve Bank of Minneapolis, reading as follows:

"Your wire August 24 [inquiring whether 'bona fide' as used in section 8(a) of Regulation W means that it is necessary for a lending institution to make a thorough investigation by checking the abstract, etc., to make sure that it has a first lien, or whether a mortgage taken in good faith which states that it is a first lien will suffice]. Answer depends upon the surrounding circumstances. However, believe S-742 will assist you."

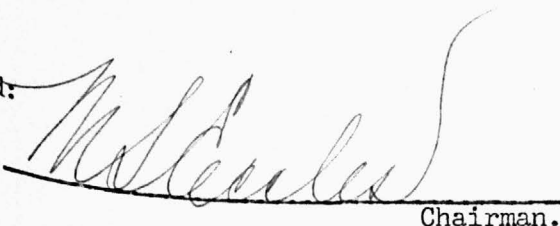
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.