

10/13/44 A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, October 13, 1944, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. McKee  
Mr. Draper  
Mr. Evans

Mr. Morrill, Secretary  
Mr. Bethea, Assistant Secretary

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 October 12, 1944, were approved unanimously.

Telegrams to Mr. Treiber, Secretary of the Federal Reserve Bank of New York, Mr. McLarin, President of the Federal Reserve Bank of Atlanta, Mr. Hodge, Assistant General Counsel of the Federal Reserve Bank of Chicago, Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, 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 Bank of San Francisco on October 10, the Federal Reserve Banks of New York, Atlanta, and Chicago on October 11, and the Federal Reserve Bank of Minneapolis on October 12, 1944, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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Telegram to Mr. Flanders, President of the Federal Reserve Bank of Boston, reading as follows:

"Retel October 9. Board of Governors approves for your Bank effective October 13, 1944, interest rate of 2-1/2 per cent to 4-1/2 per cent on advances, including advances made in participation with financing institutions, direct to industrial or commercial businesses under Section 13b of the Federal Reserve Act when guaranteed under Regulation V. Board has deferred action on rate on commitments to make discounts or advances when guaranteed under Regulation V pursuant to telephone conversation with Mr. Pitman. Otherwise Board of Governors of the Federal Reserve System approves establishment by your bank, without change, of rates of discount and purchase in bank's existing schedule, advice of which was contained in your telegram dated October 9."

Approved unanimously.

Telegrams to Mr. Leach, President of the Federal Reserve Bank of Richmond, and Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, stating that the Board approved the establishment by the Federal Reserve Banks of Richmond and St. Louis, effective October 14, 1944, of a maximum commitment rate on loans under section 13b of the Federal Reserve Act guaranteed under Regulation V of 1/4 per cent per annum, based on the average daily unused balance of the maximum principal amount of the loan, or in the alternative a flat fee of not to exceed \$50; and that, otherwise, the Board approved the establishment without change by the Federal Reserve Banks of Richmond and St. Louis on October 12, 1944, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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Memorandum dated October 13, 1944, from Mr. Morrill recommending that Mrs. Teresa Crowell be appointed as a charwoman in the Secretary's Office on a temporary basis for a period of not to exceed 60 days, with basic salary at the rate of \$1,200 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination. The memorandum stated that, since Mrs. Crowell was a member of the Civil Service retirement system, she would not become a member of the Board's retirement system.

Approved unanimously.

Telegram to Mr. Creighton, Chairman of the Federal Reserve Bank of Boston, reading as follows:

"Board approves payment of salary to Richard M. Bissell, jr., Vice President, at the rate of \$10,000 per annum for the period beginning with his reporting for duty and ending April 30, 1945, the rate fixed by your Directors as reported in your letter of October 11. Please advise when Mr. Bissell reports for duty and appointment becomes effective."

Approved unanimously.

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

"Reference is made to your letter of September 25, 1944, enclosing a list of the persons whose designation as special assistant examiners had been approved by the Board of Governors, after eliminating the names of those who had left your employment and after having adjusted for those who had been moved to other offices.

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"Appropriate notations have been made in our records as to the deletions. In a few instances, the names reported differ in minor respects from the names as shown on our records, and our records are being adjusted in the following cases to conform to your list:

<u>Date requested</u>	<u>Date approved</u>	<u>Name</u>	<u>Name on your current list</u>
4-14-37	4-19-37	Edw. Fink	Edward Fink
		W. R. Forrest	Walter Forrest
		Leonard Knapp	Raymond Knapp
		C. Russell Moore	Russell C. Moore
		Edw. Seavert	Edward Seavert
		Wm. Weikamp	Wm. Weikamp
9-15-39	9-21-39	F. A. Sheets	G. A. Sheets
		A. F. Wiegand, Jr.	A. J. Wiegand, Jr.
2-10-43	2-18-43	C. W. Martin	W. C. Martin
		C. Volz	C. S. Volz
1-14-44	1-18-44	J. G. Donovan	G. J. Donovan"

Approved unanimously.

Letter, prepared for the signature of Mr. Ransom, to Mr. Donald Comer, c/o Avondale Mills, Birmingham, Alabama, reading as follows:

"Here at the Board we are considering in a preliminary way appointments of directors of the Federal Reserve Banks and Branches for the terms beginning January 1, 1945.

"Your present term as director of the Birmingham Branch of the Federal Reserve Bank of Atlanta will expire at the end of this year. The Board, I know, shares my high regard of you and would like to reappoint you for another term if you would be willing to serve.

"Accordingly, I am writing you informally to inquire whether you would accept reappointment for another term."

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

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"of Chicago, involving an increase in the maximum annual salary for the position of Chief, Personnel Department, as submitted with your letter of October 9, 1944."

Approved unanimously, together with the following letter to the Joint Committee on Salaries and Wages:

"Under the procedure established by General Order No. 19, of the War Labor Board and the authority granted by the Commissioner of Internal Revenue, transmitted herewith are the original and four copies of a certificate of the Federal Reserve Bank of Chicago with respect to an increase in the maximum annual salary, under the personnel classification plan, for the position of Chief, Personnel Department, at the Federal Reserve Bank of Chicago.

"This increase has been approved by the Board of Governors of the Federal Reserve System as submitted.

"In transmitting this certificate, attention is called to the fact, which has been discussed with representatives of the War Labor Board and of the Commissioner of Internal Revenue, that maximum annual salaries approved under the personnel classification plan are not, in general, established rates paid for all employees coming within the respective groups. They represent instead maximums within which adjustments, including increases due to individual merit and earned through long service, may be made by the Reserve Bank without further reference to the Board of Governors."

Letter to the board of directors of the "Kootenai Valley State Bank", Troy, Montana, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H and the following special condition, the Board approved the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Minneapolis:

- "4. Such bank shall increase the number of its directors to not less than five, the minimum number

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"required in the case of all member banks under the provisions of section 31 of the Banking Act of 1933, as amended."

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

"The Board of Governors of the Federal Reserve System approves the application of the 'Kootenai Valley State Bank', Troy, Montana, 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 Montana, for his information.

"In connection with condition of membership numbered 4, it is noted that the bank has agreed to increase the number of its directors to five at the next annual meeting in January 1945. With the understanding that the required increase will be effected as soon as practicable, and not later than the next annual meeting of the stockholders, the Board will not object to the admission of the bank to membership with only four directors."

Letter to the board of directors of the "Flint Creek Valley Bank", Philipsburg, Montana, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H and the following special condition, the Board approved the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Minneapolis:

- "4. Such bank shall increase the number of its directors to not less than five, the minimum number required in the case of all member banks under the provisions of section 31 of the Banking Act of 1933, as amended."

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

"The Board of Governors of the Federal Reserve System approves the application of the 'Flint Creek Valley Bank', Philipsburg, Montana, 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 Montana, for his information.

"In connection with condition of membership numbered 4, it has been noted that an additional director will be appointed or elected not later than the next annual stockholders' meeting in January 1945. With the understanding that the required increase in the number of directors will be effected as soon as practicable, and not later than the next annual meeting of the stockholders, the Board will not object to the admission of the bank to membership with only four directors.

"Since the amount of estimated losses shown in the report of examination for membership is relatively small, the usual condition of membership requiring elimination of losses has not been prescribed. It has been noted, however, that the management has agreed to eliminate the estimated loss when the amount has been more clearly defined and it is assumed that you will follow the matter to a satisfactory conclusion. It is assumed, also, that you will follow the matter of the bank's bringing into conformity with the provisions of law and the Board's regulations the savings account mentioned on page 16 of the report of examination for membership."

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

"Referring your letter October 10, 1944, regarding proposed loan in the amount of \$100,000,000 to Netherlands

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"Government by syndicate of banks for which Chase National Bank is acting as manager, Board of Governors approves actions authorized by your board of directors as set forth in paragraphs numbered 1, 2 and 3 of your letter."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

Ronald Ransom  
Vice Chairman.