

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, October 31, 1944, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman  
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 herein-  
after referred to was taken by the Board:

Memorandum dated October 31, 1944, from Mr. Morrill submit-  
ting the resignation of Mrs. Frances Tambini as a charwoman in the  
Secretary's Office, to become effective as of the close of business  
on October 31, 1944.

The resignation was accepted as rec-  
ommended

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

"In accordance with the request contained in your  
letter of October 24, 1944, the Board approves the ap-  
pointment of Charles E. Leach as an examiner for the  
Federal Reserve Bank of St. Louis. Please advise us of  
the date upon which the appointment becomes effective."

Approved unanimously.

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

"As requested in your letter of October 21, 1944,

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"the Board approves the changes in the personnel classification plan of the Federal Reserve Bank of San Francisco, involving the establishment of the new position of Assistant Director of Research with a maximum annual salary of \$6,500 and the abolishment of the position of Assistant Chief in the Research Department."

Approved unanimously.

Memorandum dated October 27, 1944, from Mr. Vest, Assistant General Attorney, reading as follows:

"A copy of an order of the District Commissioners exempting the Board's real property from taxation (in the form attached) was recently received by the Board. It provides that the exemption is 'to begin as of July 1, 1937'. It will be recalled that the assessments against the Board's property began as of that date. In this situation the question might conceivably be raised as to whether the property is exempt from taxation for the years preceding July 1, 1937.

"As a practical matter, it is believed that there is little likelihood that such a question would ever be raised. In any event, for the reasons stated below, it is believed inadvisable to take any steps at this time with a view to obtaining any change or modification in the record in this matter.

"Corporation Counsel Keech, in a letter to Mr. Dreibelbis dated June 22, 1944, stated that:

'You are correct in your statement that the Board of Commissioners will now recognize the Federal Reserve Building as property of the United States Government and not subject to District of Columbia property taxes. In view of this fact, of course, no advertisement for nonpayment of real estate taxes will be made.'

"Moreover, when I advised Mr. Keech earlier in June that one Federal Reserve Bank had suggested that the disclaimer should be so worded as to apply expressly to past taxes as well as current and future taxes, Mr. Keech assured me that no action would be taken with respect to past taxes and was quite emphatic in advising against raising the question because it might reopen the whole matter with the Commissioners and thus upset the entire arrangement.

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"In addition, there is a statute (District of Columbia Code, Title 47, Section 712) which provides that if it has been discovered that property has been omitted from assessment in any year or years it shall be at once assessed and the taxes collected, but 'no property which has escaped assessment and taxation shall be liable under this section for a period of more than three years prior to such assessment, except in the case of property involved in litigation'. While the wording of this statute is not as clear as it might be, it would afford strong grounds for arguing in this case that assessments for the years prior to July 1, 1937, may not be made at this late date. See also Tumulty v. District of Columbia, 102 F. (2d) 254."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

Ronald Hanson  
Vice Chairman.