

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, November 27, 1944, at 10:30 a.m.

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

Mr. Morrill, 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 November 25, 1944, were approved unanimously.

Memorandum dated November 24, 1944, from Mr. Smead, Director of the Division of Bank Operations, recommending that John DeLaMater, Supervisor of Service Functions in that Division, be retained in active service on a month to month basis, for a period of not to exceed six months in the aggregate beginning January 1, 1945, with no change in his present basic salary at the rate of \$4,000 per annum and with the continued understanding that payment of his retirement allowance will be suspended until his employment is terminated.

Approved unanimously.

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

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"The Board of Governors approves the change in the personnel classification plan of the Federal Reserve Bank of St. Louis, involving the establishment of the position of Head Waitress, as submitted with your letter of November 21, 1944."

Approved unanimously.

Telegram to Mr. Young, President of the Federal Reserve Bank of Chicago, referring to the application of the "First State and Savings Bank of Holly", Holly, Michigan, for permission to withdraw immediately from membership in the Federal Reserve System, and stating that the Board waives the usual requirement of six months' notice of intention to withdraw, and that, accordingly, upon surrender of the Federal Reserve Bank stock issued to the First State and Savings Bank of Holly, the Federal Reserve Bank of Chicago is authorized to cancel such stock and make appropriate refund thereon.

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"This refers to Mr. Diercks' letter of November 15, 1944, with regard to the application of 'The Van Buren Bank', Van Buren, Indiana, for permission to exercise fiduciary powers.

"In view of the information submitted, and in accordance with Mr. Diercks' recommendation, the Board of Governors of the Federal Reserve System grants the applicant bank permission, under the provisions of its condition of membership numbered 1, to act as trustee, executor, administrator, guardian of estates, assignee and receiver. The Board's approval is given subject

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"to acceptance by the bank of the following standard conditions prescribed in connection with the admission to membership of State banks exercising fiduciary powers:

1. Such bank shall not invest funds held by it as fiduciary in stock or obligations of, or property acquired from, the bank or its directors, officers, or employees, or their interests, or in stock or obligations of, or property acquired from, affiliates of the bank.
2. Such bank, except as permitted in the case of national banks exercising fiduciary powers, shall not invest collectively funds held by the bank as fiduciary and shall keep the securities and investments of each trust separate from those of all other trusts and separate also from the properties of the bank itself.
3. If funds held by such bank as fiduciary are deposited in its commercial or savings department or otherwise used in the conduct of its business, it shall deposit with its trust department security in the same manner and to the same extent as is required of national banks exercising fiduciary powers.

"Since it is understood that in the State of Indiana trust funds deposited in the banking department of a bank are preferred claims in event of liquidation of the bank, you are authorized, in accordance with the general authorization previously granted by the Board, to waive compliance with condition of membership numbered 3 herein until further notice.

"You are requested to advise The Van Buren Bank, Van Buren, Indiana, of the Board's action, and to obtain an appropriate resolution of the board of directors of the bank accepting the conditions listed above and forward a certified copy thereof to the Board."

Approved unanimously.

Letter to Miss Helen A. Taylor, Federal Advertising Agency Inc.,
New York, New York, reading as follows:

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"Reference is made to your letter of November 24.

"Enclosed for your information is a copy of Regulation W in its present form from which you will note that the present terms prescribed by the regulation for automobiles are one-third down and 15 (not 12) months.

"Also enclosed is a copy of the Executive Order under which Regulation W was issued. This will inform you with respect to the nature and scope of the Board's powers with respect to consumer credit regulation.

"The question of how long the regulation is likely to remain in effect is one on which the Board has expressed no opinion. What changes may be made in the terms of the regulation in future will depend on the circumstances of the time, and for this and other reasons the Board has consistently declined to make any forecast on the subject."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. C. C. C.
Chairman.