

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, December 12, 1944, at 2:00 p.m.

PRESENT: Mr. Eccles, Chairman  
 Mr. Ransom, Vice Chairman  
 Mr. Szymczak  
 Mr. McKee  
 Mr. Draper  
 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 hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on December 9, 1944, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System and the Presidents of the Federal Reserve Banks held on December 11, 1944, were approved unanimously.

Letter prepared for the signature of Chairman Eccles to Mr. William C. Arthur, a director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland, reading as follows:

"The Board has received with regret your letter of December 7 tendering your resignation as a director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland on the grounds that you have severed your direct and active connection with industry, and that should you decide to continue your industrial career, it seems likely that it will not be in the territory served by the Pittsburgh Branch.

"As you point out, your term expires December 31, 1944. The Board would like to have you continue as director until the end of your term, and accordingly will regard your letter not as a resignation, but rather as a statement of unavailability for reappointment.

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"At this time I wish to express to you the sincere appreciation of the members of the Board of Governors of your interest in and contribution to the Federal Reserve System during the period of your service as director.

"The Board trusts that this interest will continue after the termination of your official connection with the System. If at any time you have any comments or suggestions to make with regard to Federal Reserve matters, please do not hesitate to communicate them to the Board of Governors or to the Federal Reserve Bank of the district wherever you may be located."

Approved unanimously.

Letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"In accordance with the request contained in your letter of December 6, 1944, the Board approves the appointment, effective January 1, 1945, of James P. Tingle as an assistant examiner for the Federal Reserve Bank of Richmond."

Approved unanimously.

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

"In accordance with the request contained in your letter of December 4, 1944, the Board approves the designation of the following as special assistant examiners for the Federal Reserve Bank of Atlanta:

Rene' M. Junca  
J. L. Hardin  
Melvin McIlwain  
Wm. A. Waller  
R. L. Foushee

"Appropriate notations have been made in our records of the names reported as deletions."

Approved unanimously.

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Telegram to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, stating that, subject to conditions of membership numbered 1 to 6 contained in the Board's Regulation H, the Board approves the application of the "Tyler State Bank & Trust Company", Tyler, Texas, for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Dallas. The telegram requested that the Federal Reserve Bank advise the applicant bank of the Board's approval of the application and conditions of membership prescribed, together with necessary instructions as to the procedure for accomplishing membership, and stated that a letter containing detailed advice regarding such approval would be forwarded to the applicant bank through the Reserve Bank. The telegram contained the following additional statement:

"Following advice in addition to usual comments will be contained in Board's letter to bank:

'It appears that the bank possesses certain powers which are not being exercised and which are not necessarily required in the conduct of a banking and trust business, such as the power to guarantee bonds and other securities. Attention is invited to the fact that if the bank desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board of Governors before exercising them. In this connection the Board understands that there has been no change in the scope of the corporate powers exercised by the bank since its application for membership.'

Since the amount of estimated losses shown in the report of examination for membership is relatively small, the

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"usual condition of membership requiring elimination of losses has not been prescribed. It has been noted, however, that proper provision for losses will be made prior to the bank's admission to membership.

"It is assumed that you will follow the matter of the bank's reducing to within statutory limits the excess balance in a nonmember bank. In this connection, reference is made to Federal Reserve Loose Leaf Service #6164."

Approved unanimously.

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

"For your information there is enclosed a copy of a memorandum received from the Navy Department, dated December 6, 1944, signed by Commander Donald P. Welles, Chief of the Finance Division, supplementing the memorandum transmitted to you with the Board's letter, S-794, dated September 28, 1944."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. C. C. C.  
Chairman.