

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, December 15, 1944, at 10:30 a.m.

PRESENT: Mr. Eccles, 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 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 December 14, 1944, were approved unanimously.

Telegrams to Mr. Treiber, Secretary of the Federal Reserve Bank of New York, Mr. Hays, First Vice President of the Federal Reserve Bank of Cleveland, Mr. Leach, President of the Federal Reserve Bank of Richmond, Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, Mr. Ziemer, Vice President of the Federal Reserve Bank of Minneapolis, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gentry, First Vice 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 approves the establishment without change by the Federal Reserve Bank of San Francisco on December 12, and by the Federal Reserve Banks of New

-2-

12/15/44

York, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, and Dallas on December 14, 1944, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated December 9, 1944, from the Personnel Committee, submitting the name of J. E. Wheat, business man and attorney at Woodville, Texas, as a director of the Houston Branch of the Federal Reserve Bank of Dallas, for the term beginning January 1, 1945, and recommending (1) that Mr. Parten, Deputy Chairman of the Federal Reserve Bank of Dallas, be requested to ascertain informally whether Mr. Wheat would accept the appointment, and (2) that the appointment be tendered if he would accept.

Approved unanimously.

Memorandum dated December 1, 1944, from Mr. Paulger, Director of the Division of Examinations, recommending that the following increases in basic annual salaries of employees in that Division be approved, effective as of the dates shown below:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>		<u>Effective Date</u>
		<u>From</u>	<u>To</u>	
Gordon R. Murff	Federal Reserve Examiner	\$5,600	\$6,000	12-16-44
Arthur H. Lang	Federal Reserve Examiner	4,000	4,500	1- 1-45
James C. Smith	Federal Reserve Examiner	4,000	4,500	1- 1-45
Fred W. Troup	Federal Reserve Examiner	3,600	3,900	1- 1-45
Carl V. Adams	Assistant Federal Reserve Examiner	3,200	3,500	1- 1-45

12/15/44

-3-

Name: (Continued)	Designation	Salary Increase		Effective Date
		From	To	
John W. Taylor	Assistant Federal Reserve Examiner	\$2,800	\$3,200	12-16-44
William B. Lassen	Assistant Federal Reserve Examiner	2,600	2,800	1- 1-45
Chas. E. Fischer	Assistant Federal Reserve Examiner	3,000	3,200	1- 1-45
Lawrence H. Bugg	Assistant Federal Reserve Examiner	2,100	2,300	12-16-44
C. R. Highfield	Assistant Federal Reserve Examiner	2,900	3,300	12-16-44
John N. Kiley, Jr.	Assistant Federal Reserve Examiner	3,000	3,200	1- 1-45
George Williams	Assistant Federal Reserve Examiner	1,800	2,000	1- 1-45

Approved unanimously.

Letter to the board of directors of "The Ebenezer State Bank", Ebenezer, 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 board of directors of "The State Savings Bank", Bridgman, Michigan, 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

12/15/44

System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago.

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

"The Board of Governors of the Federal Reserve System approves the application of 'The State Savings Bank', Bridgman, Michigan, 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 Commissioner, State Banking Department for the State of Michigan, for his information.

"It is assumed 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 accounts listed on page 16 of the report of examination for membership."

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

"This refers to the application of The Peoples National Bank of Warrenton, Warrenton, Virginia, for permission to exercise full fiduciary powers, which was transmitted to the Board with your letter of November 27, 1944.

"The Board is in agreement with the conclusion reached by yourself and by the District Chief National Bank Examiner that the ability and experience of the active management of this bank do not properly qualify them to assume the additional duties, responsibilities and liabilities involved in the administration of fiduciary matters. It is doubtful that the anticipated trust business of the applicant would warrant the employment of an experienced and qualified trust officer, or would justify the bank in undertaking a type of business new to it which inherently involves serious responsibilities and may result in actual losses to it.

12/15/44

-5-

"After careful consideration of all of the facts available, the Board is unwilling at this time to grant the permission requested. Please advise the applicant accordingly."

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 letter, dated November 28, 1944, from Mr. C. H. Watkins, Assistant Manager, Los Angeles Branch, Federal Reserve Bank of San Francisco, regarding an interpretation of Section 6 of the September 1, 1944 form of T-Loan guarantee agreement.

"There is also enclosed a copy of Colonel Cleveland's reply thereto."

Approved unanimously.

Memorandum dated December 9, 1944, from Mr. Morrill recommending that, because of the necessity during the recent period for Federal Reserve Bank examiners, in proceeding from one assignment to another, to accept whatever Pullman accommodations were available at higher rates than were authorized by the Board's travel regulations, and in order to avoid the unnecessary work involved in the present procedure of entering each of such cases in the Board's minutes, the Board authorize until January 1, 1946, the payment of these extra charges in each instance where the amount does not exceed \$10 and the voucher is accompanied by a memorandum from the Director or Assistant Director of the Division of Examinations explaining the additional charge and recommending that it be paid.

Approved unanimously.

-6-

12/15/44

Letter to Mr. Paulger, Director of the Division of Examinations,
reading as follows:

"Paragraph 7 of Section 5240 of the Revised Statutes of the United States (Section 21 of the Federal Reserve Act), as amended, provides that the Board of Governors of the Federal Reserve System, at least once each year, shall order an examination of each Federal Reserve Bank.

"In accordance with this provision of the law, the Board orders that at least one examination of each of the twelve Federal Reserve Banks be made during the year 1945, and the Board authorizes and directs you to institute and conduct such examinations at such time or times as may seem advisable in your judgment."

Approved unanimously.

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

"Referring to your letters of December 1 and December 5 and the accompanying material with respect to the proposed purchase of two parcels of land adjoining the Detroit branch buildings, the Board will interpose no objection to the purchase of the two properties at a cost not to exceed \$315,000."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. C. C. C.
Chairman.