

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, December 23, 1944, at 10:30 a.m.

PRESENT: 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 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 22, 1944, were approved unani-
mously.

Letter to Mr. Creighton, Federal Reserve Agent at the Federal Reserve Bank of Boston, reading as follows:

"In accordance with the request contained in Mr. Willett's letter of December 18, 1944, the Board of Governors approves the payment of salary to Mr. Lewis E. Stoyale, Alternate Assistant Federal Reserve Agent, at the rate of \$3,000 per annum, effective January 1, 1945."

Approved unanimously.

Memorandum dated December 20, 1944, from the Personnel Com-
mittee, submitting the name of Howard W. Jordan, President of the Pennsylvania Rubber Company, Jeannette, Pennsylvania, for appointment as a director of the Pittsburgh Branch of the Federal Reserve Bank of

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Cleveland for a two-year term beginning January 1, 1945, and recommending (1) that the Chairman of the Federal Reserve Bank of Cleveland be requested to ascertain informally whether Mr. Jordan would accept appointment and (2) that the appointment be tendered if he would accept.

Approved unanimously.

Memorandum dated December 20, 1944, from the Personnel Committee, submitting the name of S. Headley Shouse, a farmer at Lexington, Kentucky, for appointment as a director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland for the two-year term beginning January 1, 1945, and recommending (1) that the Chairman of the Federal Reserve Bank of Cleveland be requested to ascertain informally whether Mr. Shouse would accept appointment and (2) that the appointment be tendered if he would accept.

Approved unanimously.

Memorandum dated December 13, 1944, from the Personnel Committee, submitting the name of Parrish Fuller, Oakdale, Louisiana, for appointment as a director of the New Orleans Branch of the Federal Reserve Bank of Atlanta for the three-year term beginning January 1, 1945, and recommending (1) that the Chairman of the Federal Reserve Bank of Atlanta be requested to ascertain informally whether Mr. Fuller would accept appointment and (2) that the appointment be tendered if he would accept.

Approved unanimously.

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Memorandum dated December 20, 1944, from the Personnel Committee, submitting the name of Ernest Gilbert, a farmer and livestock owner at Waldron, Michigan, for appointment as a director of the Detroit Branch of the Federal Reserve Bank of Chicago for the two-year term beginning January 1, 1945, and recommending (1) that the Chairman of the Federal Reserve Bank of Chicago be requested to ascertain informally whether Mr. Gilbert would accept appointment, and (2) that the appointment be tendered if he would accept.

Approved unanimously.

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

"Referring your December 18 letter and December 22 wire Board approves charge off of book value, \$81,150, of the buildings recently purchased on Milk and Pearl Streets. In view of uncertainty as to market value of land, Board has deferred until next year action on request for authority to write down book value of land to \$10 per square foot."

Approved unanimously.

Telegram to Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, reading as follows:

"Relet December 21. Distribution of \$86,457.54 of reserve for industrial loans should be made in accordance with instructions on pages 42 and 43 of Manual of Instructions Governing the Preparation of Earnings and Expense Reports and Profit and Loss Statements. Since ratio of reserves for contingencies to surplus of your Bank is 91.6 per cent, the highest for any Federal Reserve Bank, compared with 32 per cent for System, Board does not approve setting aside of additional reserves proposed in

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"your letter either as addition to contingent reserves or as a charge against this year's earnings. Question of further transfers to contingent reserves will be reviewed early next year."

Approved unanimously.

Letter to "The Clinton National Bank", Clinton, Iowa, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Iowa, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously.

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

"Re your letter December 16 and enclosure concerning question whether the service of Mr. Arthur H. Almstedt as a member of the firm of Almstedt Brothers and as director of the Citizens Fidelity Bank & Trust Company, Louisville, Kentucky, is contrary to provisions of section 32 of Banking Act of 1933. On basis of facts submitted with your letter and in light of previous rulings of Board, it appears that the firm of Almstedt Brothers is 'primarily engaged' in the business described in section 32 of the

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"Banking Act of 1933 and that therefore the service referred to above is contrary to the provisions of such section. If, as indicated in your letter, Mr. Wirgman wishes to come to Washington for purpose of discussing the matter with Board prior to stockholders' meeting of bank in January, it is suggested that he come on a mutually convenient date to be arranged through your bank as intermediary."

Approved unanimously.

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

"For your information there is enclosed a copy of a form of letter, dated December 15, 1944, which the Federal Reserve Bank of New York has transmitted to all financing institutions in its district with outstanding guarantee agreements of the War Department.

"Colonel Cleveland has advised us that the War Department is completely in accord with the objectives expressed in this letter and has suggested that a similar letter be transmitted by all of the Federal Reserve Banks to financing institutions, in their respective districts, with outstanding War Department guarantees."

Approved unanimously.

Memorandum dated December 16, 1944, from Messrs. Parry and Thomas, Director of the Division of Security Loans and Assistant Director of the Division of Research and Statistics, respectively, requesting approval of the continuation for the year 1944 of the retail credit survey which was transferred to the Board from the Department of Commerce in 1943 inasmuch as the information obtained from the survey had been of value both to the System and to others and since its continuation has been recommended by the Reserve System Committee on Current Reporting. The memorandum also stated that, except for the

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elimination of several trade lines and for a few minor changes to simplify reporting and to improve the usefulness of the data collected, the proposed plans for the 1944 retail credit survey were essentially the same as those for the year 1943.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie

Secretary.

Approved:

Ronald Ransom
Vice Chairman.