

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, January 2, 1945, 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 January 1, 1945, were approved unanimously.

Telegram to the Banco Central, La Paz, Bolivia, reading as follows:

"Your cable for expert to act as Banking Superintendent is receiving our careful consideration. Doubtful if Mr. Triffin can accept. Alternate suggestion will be offered you as soon as possible. We appreciate the confidence your request expresses."

Approved unanimously.

Letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"We note with interest, from your letter of December 22, that Mr. Norris O. Johnson, Manager of your Research Department, has been granted leave of absence to serve for a year with the American Financial Mission to Iran. Mr.

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"Johnson's participation in this mission will undoubtedly be advantageous to the System as well as to the other governmental interests involved."

Approved unanimously.

Letter to the board of directors of the "Bank of Hamburg", Hamburg, New York, stating that, subject to conditions of membership numbered 1 to 6 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, together with a letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the 'Bank of Hamburg', Hamburg, New York, 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 Superintendent of Banks for the State of New York, for his information.

"Standard condition of membership numbered 6 has been prescribed in order that its provisions may be invoked at any time in the future if necessary, but as in other cases and in accordance with the general authorization previously granted by the Board, you are authorized to waive compliance with the condition until further notice insofar as the condition applies to funds which are given statutory preference in the State of New York.

"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

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"listed on page 16(1) of the report of examination for membership and the bank's practices with respect to withdrawals and transfers from savings accounts."

Letter to the board of directors of the "First State Bank", Webster City, Iowa, stating that, subject to conditions of membership numbered 1 to 6 contained in the Board's Regulation H and the following special condition, 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 Chicago:

"7. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$2,500, as shown in the report of examination for membership of such bank as of November 18, 1944, made by an examiner for the Federal Reserve Bank of Chicago."

The letter also contained the following special comment:

"The Board is prescribing the conditions of membership ordinarily prescribed for banks exercising fiduciary powers when they are admitted to membership, and it will not be necessary under condition of membership numbered 1 to obtain the permission of the Board before undertaking the exercise of such powers. It will be expected, of course, that when such business is undertaken your bank will be equipped to handle it in a proper manner."

Approved unanimously, for transmission through the Federal Reserve Bank of Chicago.

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

"Please refer to Board's telegram of December 29,

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"1943, regarding deposits by counties for Treasury use, and have similar statement compiled as of current December call date. Statement should be mailed in time to reach Washington by February 10."

Approved unanimously.

Memorandum dated December 28, 1944, from Mr. Smead, Director of the Division of Bank Operations, reading as follows:

"Following the transfer to the United States on January 30, 1934, by the Gold Reserve Act of 1934, of title to all gold held by the Federal Reserve Banks in exchange for credits in accounts maintained by the Treasurer of the United States payable in gold certificates, certain changes were made in the captions of the items relating to reserves in the Board's Federal Reserve Bank condition statement. Gold certificates with the Federal Reserve Agents and in the Settlement Fund, as well as gold certificates held by the Banks, were at that time combined under the new caption 'Gold certificates on hand and due from U. S. Treasury'. This caption has appeared in the weekly statement since that date.

"The caption 'Gold certificates' would seem to be adequate in the circumstances, since the amounts reported against the caption represent either gold certificates in the vaults of the Federal Reserve Banks or credits payable in gold certificates. It is recommended that the caption 'Gold certificates' be used in the weekly statements issued subsequent to January 1, 1945."

Approved unanimously.

Thereupon the meeting adjourned.

Orvester Marrie  
Secretary.

Approved:

Ronald Ransom  
Vice Chairman.