

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, February 5, 1945, at 10:30 a.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. Thurston, 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 February 3, 1945, were approved unanimously.

Memorandum dated February 2, 1945, from Mr. Evans recommending that the basic salary of Miss Elsie M. Westman, Secretary to Mr. Evans, be increased from \$3,200 to \$3,400 per annum, effective February 16, 1945.

Approved unanimously.

Memorandum dated January 31, 1945, from Mr. Goldenweiser, as Director of the Division of Research and Statistics, recommending that the following increases in basic annual salaries of employees in that Division be approved, effective at the beginning of the first pay roll period following approval by the Board:

2/5/45

-2-

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Richard A. Musgrave	Economist	\$5,600	\$6,500
Kenneth B. Williams	Economist	5,600	6,500

Approved unanimously, effective
February 16, 1945.

Memorandum dated February 5, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Miss Concetta De Maria as a clerk-stenographer in that Division, effective as of the close of business on January 31, 1945, and recommending that the resignation be accepted as of that date, with the understanding that appropriate deduction will be made from her salary for any overdrawn sick and annual leave.

The resignation was accepted as recommended.

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

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of St. Louis, involving increases in maximum annual salaries for twelve positions, as submitted with your letter of January 10, 1945, and amended by your letter of January 27."

Approved unanimously, together with letters to the Commissioner, Bureau of Internal Revenue, and to the War Stabilization Division, National War Labor Board, transmitting certificates of the Federal Reserve Bank of St. Louis with respect to salary increases at the Bank.

Letter to Mr. Woolley, Vice President and Cashier of the Federal Reserve Bank of Kansas City, reading as follows:

2/5/45

-3-

"This refers to the application of the Bank of Neosho, Neosho, Missouri, for permission to exercise fiduciary powers.

"In view of the information submitted by you, and in accordance with your 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 exercise the fiduciary powers authorized under its charter and the laws of the State of Missouri. The Board's approval is given subject 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.

"You are requested to advise the Bank of Neosho, Neosho, Missouri, 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.

Memorandum dated January 30, 1945, from Mr. Ransom and Mr. Parry, Director of the Division of Security Loans, recommending for the reasons stated in the memorandum that the Board adopt the

2/5/45

-4-

following amendment to Regulation W, Consumer Credit:

"AMENDMENT NO. 15 TO REGULATION W

"ISSUED BY THE
BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

"Regulation W is hereby amended effective February 5, 1945, by adding 'or by any State agency pursuant to similar State legislation' at the end of subsection (q) of section 8 entitled 'EXCEPTIONS' so that subsection (q) will read as follows:

(q) Servicemen's Guaranteed Loans. - Any extension of credit guaranteed in whole or in part by the Administrator of Veterans' Affairs pursuant to the provisions of Title III of the Servicemen's Readjustment Act of 1944, or by any State agency pursuant to similar State legislation."

The amendment was approved to become effective immediately, with the understanding that it would be sent by wire to the Federal Reserve Banks and that they would be requested to print the amendment and make the necessary distribution in the respective Federal Reserve districts. It was also understood that no press statement regarding the amendment would be made.

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

"Since the recent exchanges of securities in the System Account, all Government securities now held are direct obligations of the United States. Consequently the following '(incl. guar. sec.)' will be eliminated from the four places where it now appears in weekly statement of condition of Federal Reserve Banks."

Approved unanimously.

2/5/45

-5-

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. S. ...
Chairman.