

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, March 1, 1945, at 10:00 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 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 February 27, 1945, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System with the Presidents of the Federal Reserve Banks in Executive Session held on February 28, 1945, were approved unanimously.

Memorandum dated February 26, 1945, from Mr. Van Fossen, Assistant Director of the Division of Bank Operations, stating that since December 1, 1944, Wesley B. Collins, a messenger in that Division, had been absent 69 days and 7 hours, of which 20 days and 7 hours had been covered by advanced sick leave granted at the end of 1944, and recommending, for the reasons stated in the memorandum, that the advanced sick leave be increased to 45 days and that the remaining 24 days and 7 hours be charged to accumulated and unaccrued annual leave.

Approved unanimously.

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Memorandum dated February 28, 1945, from Mr. Bethea, Director of the Division of Administrative Services, submitting the resignation of Harry Davis as a cafeteria helper in that Division, effective February 28, 1945, and recommending that the resignation be accepted as of that date and that proper payment be made for the accrued annual leave remaining to his credit at that time.

The resignation was accepted as recommended.

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

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of Atlanta and the New Orleans Branch as indicated in the certificates submitted with your letter of February 13, 1945, and revised by the certificate submitted with Mr. Shelburne's letter of February 24."

Approved unanimously, together with a letter to the Commissioner of Internal Revenue, Salary Stabilization Unit, transmitting certificates of the Federal Reserve Bank of Atlanta with respect to salary increases at the Bank.

Letter to Mr. Mangels, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"This refers to your letter of February 20, 1945, containing information as to the steps which are being taken with respect to the corporate existence of the Barnes Banking Company, Kaysville, Utah. We have no suggestions as to any other action which might be taken and will appreciate being kept informed of future developments in this case."

Approved unanimously.

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Letter to Mr. G. E. Rathell, Vice President, Commodity Credit Corporation, reading as follows:

"There is enclosed a copy of a letter received by the Board of Governors from Mr. Lewis H. Carstarphen, General Counsel of the Federal Reserve Bank of St. Louis, dated February 20, 1945, with its enclosures, regarding the use of notes of Commodity Credit Corporation as collateral for borrowings by member banks from Federal Reserve Banks under the provisions of section 13 of the Federal Reserve Act. It will be noted that the Federal Reserve Bank has requested us to take up with you the question whether your Corporation would be willing to give certain consents and authorizations in order that a suggested plan for the pledging of such notes with the Federal Reserve Banks may be made workable.

"We will appreciate your consideration of this correspondence and your advice as to the questions presented in order that we may reply to the Federal Reserve Bank. If you deem it advisable, representatives of the Board's staff will be glad to discuss with you any aspects of this matter."

Approved unanimously.

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

"Receipt is acknowledged of your letter of February 22, 1945, enclosing a copy of a letter dated February 20, 1945, from Mackubin, Legg & Company, Baltimore, Maryland, regarding section 4(c)(2) of Regulation T. The question is whether it is necessary for the broker or dealer to obtain an extension of time when he is not in a position to make delivery prior to the expiration of the 7-day period specified in that section.

"The succeeding subdivisions of section 4(c) cover cases in which payment may be delayed, and there is enclosed a copy of the Federal Reserve Bulletin for November 1940 containing a ruling at page 1172 on various types of C.O.D. transactions under section 4(c)(5). The letter does not specify the reason for the delay in delivery, but this ruling may be of assistance. However, if the transaction is not covered by subdivision (3), (4), or

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"(5) of section 4(c), an extension of time should be obtained from the local stock exchange in accordance with subdivision (6)."

Approved unanimously.

Letter to Mr. Gidney, President of the Federal Reserve Bank of Cleveland, reading as follows:

"Enclosed is a copy of a letter dated February 23, 1945, from Mr. C. R. Magone, Senior Solicitor, Department of the Attorney-General of Ontario, regarding the extradition to Canada of Harold George Kates. There are also enclosed copies of previous correspondence in this connection from which it will be noted that the Board has indicated its desire to cooperate in this matter.

"Mr. Magone's letter states that he desires oral testimony by an official of the Federal Reserve System at the extradition hearing to be held in Cincinnati on April 4, 1945, and suggests that it would be more convenient for an officer from the Cincinnati Branch to testify. This would also seem to the Board to be the best way to handle the matter and it would be appreciated if you could arrange to have Mr. Lazar, Manager of the Cincinnati Branch, appear at the hearing for the purpose of giving the desired testimony. As we would like to reply to Mr. Magone's letter as promptly as possible, we would be glad if you would wire us if this arrangement can be made."

Approved unanimously.

Memorandum dated February 22, 1945, from Mr. Smead, Director of the Division of Bank Operations, recommending that DuBose MacDowell be transferred from the Division of Administrative Services to the Division of Bank Operations as a clerk and that his basic salary be increased from \$2,300 to \$2,800 per annum, effective March 1, 1945.

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved: W. S. ...
Chairman.