

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, March 5, 1945, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
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 March 2, 1945, were approved unanimously.

The minutes of the special meeting of the Board of Governors of the Federal Reserve System with the Presidents of the Federal Reserve Banks held on March 2, 1945, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on March 3, 1945, were approved and the actions recorded therein were ratified unanimously.

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

"In accordance with the recommendation contained in First Vice President Willett's letter of February 24, 1945, the Board approves the establishment and operation of a branch in the Town of Weston, Massachusetts, by the Newton-Waltham Bank and Trust Company, Waltham, Massachusetts, provided that Counsel for the Reserve Bank is

3/5/45

-2-

"to be satisfied as to the legal aspects involved. It is noted that the Board of Bank Incorporation for the Commonwealth of Massachusetts has approved the establishment of the proposed branch."

Approved unanimously.

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

"There is enclosed a copy of a letter dated February 20, 1945, addressed to Mr. Ronald Ransom, from Mr. W. R. McQuaid, President of The Barnett National Bank, Jacksonville, Florida, requesting advice as to the amount of reserves required of a holding company affiliate owning bank stock upon which there is no provision for double liability on the part of the stockholders. The Board is of the opinion that subsection (c) of section 5144 of the Revised Statutes does not require a holding company affiliate to maintain a reserve of more than 12 per cent of the par value of bank stocks where there is no statutory liability imposed upon the stockholders regardless of whether the shareholders of the holding company affiliate are individually liable. It will be appreciated if you will make an appropriate reply to Mr. McQuaid's inquiry in accordance with the views expressed above."

Approved unanimously.

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

"There is enclosed for your information a copy of a letter dated February 19, 1945, from Mr. Phelan, Vice President of the Federal Reserve Bank of New York, enclosing a memorandum prepared by Mr. Crouse of Shearman & Sterling & Wright, counsel for the Chemical Bank & Trust Company, New York, N. Y., regarding the practice of the Services of requiring lending banks to execute termination statements when a guarantee agreement issued pursuant to Regulation V has been terminated, and a copy

3/5/45

-3-

"of the War Department's reply thereto.

"You will note from the War Department's reply that the Navy Department concurs in the views of the War Department. We have also been advised that the Maritime Commission concurs in the War Department's views."

Approved unanimously.

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

"The Board of Governors approves the appointments of Messrs. B. F. Mechling, John T. McDade, Keith Powlison, James M. Skinner, and Daniel H. Schultz as members of the Industrial Advisory Committee for the Third Federal Reserve District to serve for terms of one year each, beginning March 1, 1945, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Philadelphia, as reported in your letter of March 1, 1945."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

McEwen  
Chairman.