

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, March 20, 1945, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
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 March 19, 1945, were approved unanimously.

Memorandum dated March 14, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that Miss Ruth Smallwood be appointed as a stenographer in that Division, with basic salary at the rate of \$1,800 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination, with the understanding that if anything derogatory develops in the investigation of her references her services may be terminated immediately. The memorandum stated that Miss Smallwood was a member of the Civil Service Retirement System and therefore would not become a member of the Board's retirement system.

Approved unanimously.

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Memorandum dated March 16, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending (1) that the temporary appointment of Mrs. Marie Browne, an elevator operator in that Division, be extended for an indefinite period from March 20, 1945, with no change in her present basic salary at the rate of \$1,200 per annum and with the understanding that she will become a member of the Board's retirement system, and (2) that the temporary appointment of Charles E. Crowell, a guard in the Division of Administrative Services, be extended for an indefinite period from March 23, 1945, with no change in his present basic salary at the rate of \$1,500 per annum.

Approved unanimously.

Memorandum dated March 19, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the temporary appointment of Mrs. Corrie E. Holliday, a cafeteria helper in that Division, be extended for an indefinite period from March 23, 1945, with no change in her present basic salary at the rate of \$1,200 per annum. The memorandum stated that Mrs. Holliday would become a member of the Board's retirement system.

Approved unanimously.

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

"In accordance with the request contained in your

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"letter of March 9, 1945, the Board approves the designation of Howard H. Lowry as a special assistant examiner for the Federal Reserve Bank of San Francisco.

"In order that our records may be complete, it will be appreciated if you will inform us as to the effective date of the termination of Mr. Lowry's appointment as a regular assistant examiner for your bank."

Approved unanimously.

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

"This refers to your letter of March 3, 1945, with respect to the capital requirements for membership in the Federal Reserve System of the South Side Atlanta Bank which is located beyond the city limits of Atlanta in an unincorporated community known as Lakewood Heights. As you know, the applicable law, section 5138 of the Revised Statutes, requires a capitalization of \$100,000 in order to qualify for membership, but makes an exception in the case of banks with a capital of not less than \$50,000 when located 'in any place the population of which does not exceed six thousand inhabitants'. The statute does not define the word 'place', and, in the case of unincorporated communities, the Board has required that evidence as to the population of such communities be furnished through affidavits obtained from public officials or prominent businessmen (X-4397; F.R.L.S. #3424). Since the 1940 Federal Census lists the community of Lakewood Heights as having a population in excess of six thousand, there would seem offhand no escape from the conclusion that a capitalization of \$100,000 would be necessary as the Board ordinarily accepts the figures of the Census Bureau as conclusive. However, if it can be determined that in spite of this figure the South Side Atlanta Bank is actually located in a 'place' having less than six thousand inhabitants, it would be eligible for membership with a smaller capitalization. The burden, of course, would be upon the applicant to convince the Federal Reserve authorities that the community represented by the Census figures included more territory than the 'place' in which the bank is located."

Approved unanimously.

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Letter to the "Lincoln State Bank", Milwaukee, Wisconsin, reading as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to membership in the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

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

"In view of the circumstances outlined and in accordance with the recommendation contained in your letter of March 7, 1945, the Board interposes no objection, under the provisions of an applicable condition of membership, to the action of the Commercial Savings Bank of Sterling, Sterling, Colorado, in purchasing, in October 1944 for \$35,000, a lot and building for possible future use as banking premises."

Approved unanimously.

Letter to "The Calcasieu-Marine National Bank of Lake Charles", Lake Charles, Louisiana, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for permission to act as trustee, and grants you authority to act, when not in contravention of State or local law, as trustee to administer the funds representing the final liquidating dividends of the former Calcasieu National Bank in Lake Charles, Lake Charles, Louisiana, the exercise of 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.

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"This letter will be your authority to exercise the fiduciary power 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.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. S. [Signature]
Chairman.