A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, April 13, 1945, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Draper

Mr. Morrill, Secretary
Mr. Thurston, Assistant to the Chairman
Mr. Goldenweiser, Economic Adviser, Division of Research and Statistics

There were presented telegrams to Mr. Flanders, President of the Federal Reserve Bank of Boston, Mr. Treiber, Secretary of the Federal Reserve Bank of New York, Messrs. Leach and McLarin, Presidents of the Federal Reserve Banks of Richmond and Atlanta, respectively, Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Earhart, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approved the establishment without change by the Federal Reserve Bank of San Francisco on April 10, by the Federal Reserve Bank of Atlanta on April 11, by the Federal Reserve Banks of New York, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, and Dallas on April 12, 1945, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Mr. Ransom said that he wished to report to the other members of the Board for their information certain recent developments with respect to the Bretton Woods Proposals. His statement was substantially as follows:

> Last Tuesday afternoon at 3 o'clock, Under Secretary of the Treasury Bell called me and asked me if I would arrange with Mr. Szymczak and Mr. Goldenweiser to be available for a conference with him on a matter connected with Bretton Woods which he desired to discuss because of their close association with the Proposals. Mr. Bell came over a few minutes later, together with Messrs. White, Bernstein, and Luxford, and spent the major part of the afternoon with us.
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> It developed during the course of the discussions that there were decided differences of opinion within the Treasury group as to the matters on which Mr. Bell reported, Messrs. Bernstein and Luxford being on one side and Mr. White on the other. We, that is Mr. Szymczak, Mr. Goldenweiser, and I, took no part other than that of listening and asking questions. No one of us at any time expressed any opinion as to the suggestions which were outlined by the Treasury people. We made it quite clear that we could not speak for the Board, and since we could not speak for the Board we would not take any individual positions.
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> When Mr. Bell finished his report he said that the whole project was in a highly tentative state, that nothing might come out of it, and that for the time being he would deeply appreciate it if it were not discussed, except that he was anxious to have the Chairman fully advised and he would be agreeable to our reporting the matter to the Board and to such members of the staff as the Board might select for the purpose, after he had discussed it again with the Secretary, with the understanding that the matter should be kept entirely confidential. In this connection, I may add that we did call the Chairman the next day after we had had a chance to go over the material which Mr. Bell gave us.
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> Mr. Bell, apparently on his own volition, but with

the full knowledge of the Secretary of the Treasury, sent Messrs. Bernstein and Luxford to New York for the purpose of ascertaining whether an arrangement could be worked out for cooperation of the New York bankers with the Treasury in arriving at changes in the enabling legislation which would facilitate its adoption. They had a preliminary discussion of the matter with Randolph Burgess at his office in New York, Mr. Bell having previously talked to Mr. Burgess about the desirability of trying to iron out the differences between the bankers and the Treasury, and Mr. Burgess having indicated that he was agreeable to such a proposal. At Mr. Bell's suggestion, Mr. Burgess had previously talked to Mr. Brown of Chicago. Mr. Bernstein and Mr. Luxford made it clear to Mr. Burgess that their purpose was merely to determine whether or not there was any basis for compromise between the views of the bankers and of the Treasury, and that they had no authority to commit the Treasury to any proposal. They also made it clear that they felt that the only basis on which a compromise was feasible was that the Bretton Woods Agreements could not be amended, that the Fund could not be postponed, and that the question to be determined was what changes might be made in the enabling legislation with a view to meeting the bankers' proposals.

Mr. Bell said that he had approached the matter on the basis that the Treasury had had the cooperation of the New York bankers in other matters and that he, Mr. Bell, not knowing too much personally about the Bretton Woods Proposals, had a feeling that the New York bankers and the Treasury should be able to arrive at some friendly solution of their differences of opinion. Following their preliminary discussions with Mr. Burgess, during which a program was drafted, the matter was discussed also with Messrs. Sproul, Fraser, Potter, and Aldrich of New York, Mr. Hemingway of St. Louis, and General Ayres of Cleveland. In addition, it was discussed with John Williams. It was also understood that Mr. Burgess might discuss the program with others. Mr. Bell had also discussed the matter with Mr. Brown of Chicago.

In all the discussions, we understand, it was made clear that the program was purely tentative and entirely informal with no commitments on anybody's part. The whole matter has been left in abeyance until it could be further considered in Washington and Mr. Bell stated that his sole purpose in visiting us and reporting the developments was to inform us as to what was going on. I do not know whether or not the Treasury will ask the Board's opinion on the project, although that may have been Mr. Bell's original purpose, because he had a possible compromise in view along the lines initiated by the Treasury. I have the feeling that the Secretary of the Treasury may not be in agreement. It was perfectly clear that Harry White did not agree with any of the suggestions, and that Bernstein and Luxford are the ones who sponsored the suggestions.

At this point Mr. Szymczak observed that the entire plan was strictly one initiated by Mr. Bell, although with the Secretary's knowledge; that Mr. Bell got in touch first with Mr. Burgess and then with Mr. Brown; that they confined their discussions to the enabling legislation because, as they saw it, they could not change or attempt to change the agreements; and that the result of Mr. Bell's approach to the matter was that Mr. Burgess agreed to see what could be done, but insisted that the Treasury representative should not discuss the proposals with any others until he, Mr. Burgess, had first had an opportunity to discuss the proposals with them privately.

At this point Mr. Gardner, Chief of the International Section, Division of Research and Statistics, entered the meeting, and Mr. Ransom continued with his report as follows:

When the Treasury representatives came over here last Tuesday, it was clear that there was a decided difference of opinion between Mr. White on the one hand and Messrs. Bernstein and Luxford on the other. They made it clear, however, that nothing could be done until the

Secretary of the Treasury could be consulted, and that the documents had been sent to him for study.

The substance of the proposals that were developed as a possible basis for compromise is as follows:

(1) In order to meet the bankers' contention that the Fund and the Bank should be combined, the enabling legislation would provide that the United States would appoint one man to serve as Executive Director for both the Fund and the Bank, and another man to serve as Governor of both the Fund and the Bank;

(2) Responsibility for the formulation of American policy on the Fund and the Bank should be vested in a Council to be comprised of the Secretary of the Treasury as Chairman, the Secretary of State, the Chairman of the Board of Governors of the Federal Reserve System, the Foreign Economic Administrator, and the President of a Federal Reserve Bank elected by the Open Market Committee of the Federal Reserve System;

(3) In the enabling legislation there should be expressed statements of the policy to guide the American representatives on the Fund and the Bank;

(4) Provision should be made for requiring the American representatives to report within two years on how the Fund and the Bank were operating with recommendations as to how they might be made more effective; whether they should be merged into one institution; whether their resources should be increased or decreased; and whether the United States should continue membership in either the Fund or the Bank or both.

The idea was that of giving the Fund and the Bank "a test run" so that at the end of two years the question could be considered what changes, if any, should be made.

(5) The Committee for Economic Development proposal for making it clear that the Bank has authority to make long-term stabilization loans would be included in the legislation with a provision that the American governor should

ask for an amendment if the bank management did not agree that the Bank already possessed the power.

In addition to these proposals, Mr. Burgess indicated that the bankers would like to have assurances that the headquarters of the Bank and the Fund would be in New York and also that the bankers would like to see Mr. Brown appointed as the American governor.

After outlining these suggestions, Mr. Bell said that after he obtained the views of the Secretary it would be agreeable to him if we would discuss the whole matter with the Board and such members of the staff as we might desire. He called me yesterday and said that it had not been possible to reach any accord in the Treasury, and that we were released from any obligation to keep the matter confidential so far as other members of the Board and the staff were concerned. He agreed that it was necessary that the Board be advised, because he recognized that the Board's position had been tremendously helpful to the Treasury. Mr. Ransom emphasized the fact that it was necessary for him to keep the other Board members advised. Mr. Bell added that it was his understanding that the bankers have never committed themselves to anything more than that they would not oppose the adoption of these suggestions; they would not support them, but they would not fight them.

Mr. Goldenweiser supplemented Mr. Ransom's report by saying that the Treasury people reported that Mr. Burgess was very much for these suggestions; Mr. Sloan Colt was also for them; Mr. Potter said he would go along but was not enthusiastic; Mr. Aldrich said that it was a face-saving device for the Treasury and he would go along; Mr. Fraser would go along; Mr. Sproul was undecided and noncommital; and Mr. Williams was vigorously opposed.

Mr. Ransom then outlined the conclusions which Mr. Szymczak, Mr. Goldenweiser, and he had reached after studying the suggestions, and also the reactions of Mr. Eccles in the discussion with him over the telephone:

> On the proposal with respect to having one governor and one executive director, Mr. Eccles opposed very strongly, and we do not like it, but do not feel that it is a fighting point. In this connection, Mr. White opposed very violently.
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> As to number (2), the composition of the Council, all of us oppose the president of a Federal Reserve Bank being included, as did Mr. White. The suggestion in this respect, it appears, originated with the bankers and was tentatively agreed to by Messrs. Bernstein and Luxford. It would have the effect of giving two votes to the Federal Reserve and it would hardly seem that such a proposal would be acceptable legislatively.

Mr. Szymczak explained that from the point of view of the bankers, the suggestion of a Federal Reserve Bank president being included was a compromise result of various ideas and in recognition of the fact that the position would probably be taken that the Council should be composed entirely of Governmental agencies, but with the thought that the President of the Federal Reserve Bank (having Allan Sproul in mind) would bring to bear a representation of the banker point of view. In this connection Mr. Szymczak referred to the suggestion from Mr. Burgess that the Bank and the Fund should be located in New York.

> As to the third suggestion relating to legislative expressions of policy, Mr. Eccles had no opinion, but we feel that the director and the governor would be too highly circumscribed, although we do not feel that the objection is a fatal one.
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> As to number (4), the proposal that a report be

made within two years, Mr. Eccles does not like the suggestion. He feels that it is unnecessary, and we feel that it is very undesirable.

As to number (5), we feel that it weakens the effect of the acceptance by the United States of the Proposals, although it might be revised to meet this objection. Mr. Eccles does not like the proposal because he looks upon the Agreements as constituting in effect a contract, and we are not satisfied because it sounds as if we were skeptical about the whole plan and were serving notice in advance of our skepticism.

As to the whole set of Proposals, we feel that they constitute a sign of weakness. Mr. Eccles had a very definite feeling that the Treasury should not have initiated a compromise. He said that "the Treasury should never go hat in hand to the New York banks and ask them to do something of this kind; it was a wrong approach; it was a sign of weakness". It appeared that Mr. Bell's approach to the matter stemmed from his concern about the next War Loan Drive and that aside from this he felt that it would be a definite advantage if something could be worked out which would result in the legislation being passed by a large vote and on a nonpartisan basis.

Mr. Eccles felt that never under any circumstances should the Government have gone to a group of New York bankers, and he pointed out that this might easily leave the Government in a difficult position with respect to the Philadelphia group, the Independent Bankers Association, the Committee for Economic Development, and others who had supported the Bretton Woods Proposals.

Mr. Goldenweiser said that Mr. Bernstein felt that the Bretton Woods Agreements would not be changed if these compromises were reached, and that Congressman Wolcott would go along with them and very likely would carry with him most of the Representatives in the House Committee on Banking and Currency with the result that the vote on the floor would be very much larger; that there was really nothing in the compromises that was not in the Agreements either literally or in spirit; and that we were really not giving up anything.

Mr. Ransom said he made it clear to the Treasury group that, if to any extent the acceptance of these suggestions would constitute a modification of the position previously taken by the Board, there would have to be Board action if our views were requested.

In that connection Mr. Szymczak said that Mr. Bernstein reported that Assistant Secretary Dean Acheson of the State Department had been consulted without going into all the details and that he would approve a compromise along these lines.

Mr. Szymczak then read a memorandum which had been prepared by Mr. Goldenweiser after the meeting with the Treasury people. A copy of this memorandum as read by Mr. Szymczak has been placed in the files.

After reading the memorandum, Mr. Szymczak said that he would be glad to have any Board member who wished to do so read the Treasury memorandum which had been left with us containing the report of the suggestions under consideration. In this connection it was understood that these suggestions had not been discussed with Mr. Vinson or with any of the Congressional members of the Bretton Woods Delegation.

Mr. Ransom then reported as follows upon his attendance at a meeting last Thursday with the stabilization committee of which Mr. Davis is Chairman. There were present Madam Perkins and Messrs. Mead, Patton, Wickard, Bowles, Purcell, and Smith, together with a representative of the Department of Commerce and another person who was counsel for Mr. Davis, the names of the last two being unknown to Mr. Ransom:

Mr. Davis had an agenda consisting of three topics, one relating to farm land credit, one to city real estate, and the third to margin requirements. The only subject which was actually discussed was that relating to farm real estate, and it was understood that the other subjects would be discussed at the next meeting. It appeared to be the opinion of all who were present, with the exception of Harold Smith who was reluctant to take any position, that something had to be done quickly, and that they were very much in favor of the Chairman's proposal of a penalty tax, although Mr. Davis said that he and Messrs. Vinson and Bell had discussed the subject with Congressman Doughton and some other members of the Ways and Means Committee and Congressmen Smith of Virginia and Dirksen of Illinois and had concluded that it was not possible to get favorable action by Congress. Mr. Ransom inquired why, and Mr. Davis suggested that he ask Mr. Vinson, who, however, was not present at this meeting.

Mr. Patton took the position that any proposal that was supported by Ed. O'Neal, Goss, and himself together with representatives of labor could be gotten through Congress, and that it was merely a matter of presenting the proposals to Congress in the right way.

There was some discussion as to whether the present loophole in the tax law might not be stopped, and Mr. Davis thought that the Ways and Means Committee might be inclined to do so. However, no conclusions were reached by the Conference, and nothing new was presented about the question of margin requirements.

Mr. Davis took the position that regardless of whether anything else was done, it was necessary for everybody to talk down inflation, and that if everybody did so something might be accomplished.

A day or two after this meeting, Mr. Ransom talked to Mr. Vinson and he said that his feeling about the Eccles proposals was that nothing which was not supported by the Treasury had any chance to pass the Ways and Means Committee, and that it would not be inclined to favor them even if the Treasury supported them. Mr. Vinson strongly favored the stopping of the loophole and he thought that the Treasury might come around to that view although the Treasury seemed reluctant to do so.

Mr. Vinson again inquired what the Board was doing about margin requirements and Mr. Ransom told him that nothing further had been done since the reply which had been made to Mr. Davis in response to Mr. Vinson's inquiry, except that the Board continued to watch the situation closely.

Mr. Vest, General Attorney, joined the meeting at this point.

Mr. McKee then referred to the memorandum which he had addressed to the Board and which had been circulated to all of the Board members present in regard to borrowings by member banks for the purpose of reducing or eliminating excess profits taxes. In that connection, attention was directed to a portion of the minutes of the Conference of Presidents which was held on February 26-27, and which had just been received yesterday, showing that this subject had been discussed by the Presidents, and that there was a general consensus of the Conference that the practice of using reserve credit by a bank for the purpose of increasing the excess profits tax basis was improper. After a brief discussion, there appeared to be no objection to Mr. McKee's proposal that a letter be sent to the Presidents on the subject, with the understanding that the draft of letter would be circulated among the Board members for approval before being sent.

Mr. Ransom reported that some days ago Mr. Francis Addison, President of the Security Savings and Commercial Bank, discussed with Mr. Ransom and Mr. Morrill bills which had been introduced in the House and Senate to amend the Servicemen's Readjustment Act so as to authorize national banks and banks located in the District of Columbia to make certain types of loans guaranteed by the Administrator. These bills were H.R. 2789 and S. 795. The former bill had been referred in the House of Representatives to the Committee on World War Veterans' Legislation, and the bill in the Senate had been referred to the Senate Finance Committee. Mr. Addison had explained that these bills had been drafted by a committee of the American Bankers Association after Mr. Burgess had discussed the subject with Comptroller of the Currency Delano. The proposal contained in these bills would, in effect, although not so stated, amend Section 24 of the Federal Reserve Act which limits the ratio of real estate loans to appraised value, and also the maturities of real estate loans, and Mr. Addison said that it was understood that Mr. Delano was opposed to such an amendment. However, it seemed that an understanding had been reached that the bills would be drawn in such a manner as not to contain any express amendment of Section 24 of the Federal Reserve Act, but instead as an amendment of the Servicemen's Readjustment Act, and that consequently when introduced they would not be referred to the Senate and House Banking and Currency Committees.

Mr. Rankin, who introduced the bill in the House, is the

Chairman of the World War Veterans' Committee of the House, and Senator Johnson, who introduced the bill in the Senate, is Chairman of a subcommittee of the Senate Finance Committee to which the Senate bill has been referred.

Mr. Ransom said that, after reviewing the available information, he had called Chairman Spence of the House Banking and Currency Committee and discussed with him the question what should be done with respect to the House bill in view of the fact that, although not expressly so stated, it would in effect amend Section 24 of the Federal Reserve Act. After giving some thought to the matter, Chairman Spence suggested that we write him a letter calling his attention to the bill and the fact that it would amend Section 24 of the Federal Reserve Act, and that he would look into the matter further upon receipt of such a letter, as he felt that the House Banking and Currency Committee would be very much interested.

Mr. Ransom had tried to reach Senator George on the telephone but had not yet succeeded in doing so.

Mr. Ransom read a draft of a letter which he proposed to send to Chairman Spence, but which he expected to revise somewhat for the purpose of clarification before sending it, and no objection was offered by the other members of the Board to his suggestion.

Mr. Szymczak then presented a recommendation which had been received from the Federal Reserve Bank of Chicago with respect to proposed salary changes and reported discussions which he and Mr.

McKee had had with Mr. Young regarding the questions of organization involved in these proposals. He said that the most important matter involved in these discussions was the one involved in the position of First Vice President at the Bank, and that an understanding had been reached that Mr. Young would take definite steps to bring about a change before the expiration of the present term. Mr. Szymczak added that the question of selection of a Vice President in charge of personnel and a Vice President in charge of examinations was also discussed with Mr. Young, and that it was pointed out to him that it was felt that the bank organization was weak in these respects.

In this general connection, Mr. Leonard reported that Mr. Smead had observed on a visit to Chicago, from which he had just returned, that there had been a great improvement in the general tone of the operating organization of the bank, notwithstanding the weakness in the situation with respect to the First Vice Presidency and the failure to fill the positions of Vice President in charge of personnel and Vice President in charge of examination.

Mr. Szymczak said that there was some question as to the increase for Mr. Langum. Mr. Thomas was called upon to report about Mr. Langum and summed up his views with the conclusion that, compared with other people in similar positions in the Federal Reserve System, Mr. Langum was well paid.

Following the discussion, upon motion by Mr. Szymczak, and upon unanimous vote, all of the salary changes recommended by the Chicago Bank were approved, with the exception of the increase in the case of Mr. Langum, and the Secretary was authorized to transmit to the Chicago Bank the following letter:

"The Board of Governors approves payment of salaries to you as President at the rate of $30,000 per annum, and to Mr. Howard P. Preston as First Vice President at the rate of $25,000 per annum, for the period April 1, 1945 to the expiration of the terms of office February 28, 1946.

"The Board of Governors also approves payment of salaries to the other officers of the Bank at the following rates for the period April 1, 1945 through March 31, 1946:

Name	Title	Annual Salary
Neil B. Dawes	Vice President	$12,000
James H. Dillard	Vice President	15,000
Charles B. Dunn	Vice President and General Counsel	15,000
Ernest C. Harris 1/	Vice President	15,000
John K. Langum	Vice President	9,000
Otto J. Netterstrom	Vice President	14,000
Arthur L. Olson	Vice President	14,000
Alfred T. Sihler	Vice President	15,000
William C. Bachman	Assistant Vice President	10,000
Wilford R. Diercks	Assistant Vice President and Chief Examiner	10,000
Franklin L. Purrington	Assistant Vice President	9,000
William W. Turner	Assistant Vice President	9,000
Allan M. Black	Cashier	9,500
John J. Endres	Auditor	10,000
Paul C. Hodge	Assistant General Counsel	9,000
John W. Garvy	Assistant Counsel	6,500
Edward D. Bristow	Assistant Cashier	5,000
Phil C. Carroll	Assistant Cashier	6,000
Edward A. Heath	Assistant Cashier	6,000
Walter A. Hopkins	Assistant Cashier	8,000

1/ Assigned to Detroit Branch

"Name	Title	Annual Salary
Laurence H. Jones	Assistant Cashier	$ 7,000
Clarence T. Laibly	Assistant Cashier	6,500
Mark A. Lies	Assistant Cashier	8,000
Frank A. Lindsten	Assistant Cashier	8,000
Louis G. Meyer	Assistant Cashier	8,000
Ingolf Petersen	Assistant Cashier	6,000
Jesse G. Roberts	Assistant Cashier	8,000
Carl M. Saltnes	Assistant Cashier	8,000
	Detroit Branch	
Harlan J. Chalfont	Manager	11,000
Harold L. Diehl	Cashier	7,500
Richard W. Bloomfield	Assistant Cashier	6,500
William T. Cameron	Assistant Cashier	6,500
Arthur J. Wiegandt	Assistant Cashier	6,500
Kenneth E. Haefele	Assistant Counsel	6,000

"The above rates, except in the case of Mr. Langum, are as fixed by the Board of Directors, as reported in your letter of January 8, 1945.

"Mr. Langum has come along rapidly since he was employed by your Bank in 1941, and has made a substantial contribution to the Bank and to the research work of the System. Taking everything into consideration, however, including the substantial increase of $1,500 in connection with his promotion to Vice President last year, and looking at the System as a whole, the Board believes that a further adjustment in his salary should be deferred. Accordingly, the Board approves continuation of salary to Mr. Langum at the present rate of $9,000 per annum.

"In accordance with the informal discussion with you, the salaries for Messrs. Endres, Hodge, Cameron, Bloomfield, and Wiegandt are approved subject to the receipt of revised certificates in support of the increased salaries."

Mr. McKee then called attention to a memorandum which was being circulated among the members of the Board from Mr. Vest in regard to the steps that were being taken by counsel in the Lakewood Village case. Mr. Vest's memorandum has been placed in the Board's files.

Mr. McKee also called attention to the question upon which decision would have to be reached by the Board with respect to reserve requirements of banks with branches as a result of the application which had been presented to the Board on behalf of the banks in Savannah, Georgia, with the approval of the Federal Reserve Bank of Atlanta, that the designation of Savannah as a Reserve City be discontinued. Mr. McKee said that a proposal would be submitted to the Board to amend the Board's regulations so as in effect to impose upon the entire deposit liabilities of any bank with branches the highest reserve requirements applicable to its head office or to any of its branches.

Mr. Vest said that such an amendment to the regulation, in his opinion, would be within the powers of the Board. No action was taken on this matter at this meeting.

At this point Messrs. Goldenweiser, Vest, and Gardner withdrew from the meeting.

The action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on April 12, 1945, were approved unanimously.

Memorandum dated April 13, 1945, from Mr. Leonard, Director of the Division of Personnel Administration, referring to the action taken by the Board on April 12, 1945, in granting leave without pay to Miss Ruth Toni Giese, a research assistant in the Division of

Research and Statistics, in order that her services may be available to the Department of State. The memorandum recommended that, in accordance with the State Department's more recent informal request, Miss Giese's services be loaned to the Department on a reimbursable basis, provided a formal request for such loan was made.

Approved unanimously.

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

"In accordance with the request contained in your letter of April 9, 1945, the Board approves the designation of the following as special assistant examiners for the Federal Reserve Bank of Cleveland:

CINCINNATI BRANCH	PITTSBURGH BRANCH
Domsher, Clifford	Cosgrove, W. J.
Glassmeyer, C. J.	Dieter, E. J.
Kyde, Thomas	McFarland, J. D.
Miller, Pierson	Rickert, H. E.
Pelstring, Wesley	Weimer, P. M.
Shafer, Robert	Wright, L. L.
Stopher, Roy	Zimmerman, C. G.
Wells, Rupert	

"Appropriate notations have been made in our records of the names reported as deletions."

Approved unanimously.

Telegram to Mr. Harris, Vice President at the Detroit Branch of the Federal Reserve Bank of Chicago, reading as follows:

"In re McLucas letter of March 30 requesting advice on investment of trust funds by National Bank of Detroit in new issue of its common stock, please advise bank as follows. Bank as sole trustee with power of investment or as co-trustee with joint power of investment may not under Regulation F exercise right to purchase own stock "in circumstances described unless purchase is expressly required by trust instrument or specifically authorized by court order. Bank may exercise such right at request of another person vested with power to direct bank to make the investment. Bank may not under the Regulation exercise such right upon request of another person who merely has power to approve but not to require investments since bank in such case would be responsible for the investment."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrill
Secretary.

Approved:

Ronald Ransom
Vice Chairman.