

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, April 24, 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 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 April 23, 1945, were approved unanimously.

Memorandum dated April 19, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the following increases in basic annual salaries of employees in that Division be approved, effective May 1, 1945:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Joseph E. Kelleher	Administrative Assistant	\$3,800	\$4,000
Seburn E. Baker	Foreman Operator	2,500	2,600
Frank W. Constable	Operator, Duplicating Devices	1,860	1,980
Howard Lee Warwick, Jr.	Operator, Duplicating Devices	1,900	1,980
Mary Alice Brundage	Clerk	1,800	1,920
Nelson S. Dyson	Operator, Duplicating Devices	1,800	1,860
Percy C. Riston	Foreman of Laborers	1,920	2,040
James H. Macklin	Laborer	1,380	1,440
Herman Lee Tobler	Laborer	1,440	1,500
Dorothy Reaney	Page	1,260	1,320

Approved unanimously.

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Memorandum dated April 23, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Paul Vinelli as a research assistant in that Division, to become effective as of the close of business on April 24, 1945, and recommending that the resignation be accepted as of that date and that, because of the special circumstances necessitating his resignation, Mr. Vinelli be paid an amount equivalent to one month's salary in addition to payment for the accumulated annual leave standing to his credit. Mr. Leonard, Director of the Division of Personnel Administration, had attached a note to Mr. Thomas' memorandum stating that, while he had no objection to the payment of a month's salary to Mr. Vinelli in addition to a lump sum payment for his unused annual leave, as recommended by Mr. Thomas, he could not join affirmatively in the recommendation, his thought being that, in view of the circumstances, a month's salary be paid in lieu of the unused annual leave.

The resignation was accepted as of the close of business on April 24, 1945, and, in accordance with Mr. Leonard's suggestion, unanimous approval was given to the payment of one month's salary to Mr. Vinelli in lieu of payment for his unused annual leave.

Memorandum dated April 23, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Mrs. Ruby S. Dove as a clerk-stenographer in that Division, to become effective as of the close of business on April 30, 1945, and recommending that the resignation be accepted as of that date.

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The resignation was accepted as recommended.

Letter to the Federal Deposit Insurance Corporation reading as follows:

"Pursuant to the provisions of section 12B of the Federal Reserve Act, as amended, the Board of Governors of the Federal Reserve System hereby certifies that the First State Bank, Odessa, Texas, became a member of the Federal Reserve System on April 23, 1945 and is now a member of the System. The Board of Governors of the Federal Reserve System further hereby certifies that, in connection with the admission of such bank to membership in the Federal Reserve System, consideration was given to the following factors enumerated in subsection (g) of section 12B of the Federal Reserve Act:

1. The financial history and condition of the bank,
2. The adequacy of its capital structure,
3. Its future earnings prospects,
4. The general character of its management,
5. The convenience and needs of the community to be served by the bank, and
6. Whether or not its corporate powers are consistent with the purposes of section 12B of the Federal Reserve Act."

Approved unanimously.

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

"In accordance with the request contained in your letter of March 26, 1945, there is enclosed a copy of a letter addressed to a national bank under date of April 7, 1943, by Deputy Comptroller McCandless, with respect to the limitations and restrictions of section 5136 of the Revised Statutes of the United States on the purchase by such bank of bonds issued by improvement districts of the City of Little Rock, Arkansas.

"Although the opinion does not indicate the specific

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"reason for the position that in most instances the bonds issued by such improvement districts would not qualify as investment securities, we have been informally advised by the Comptroller's Office that this position was taken because in most instances such securities do not meet the test of marketability set forth in section I of the Comptroller's Investment Securities Regulation, as no steps are taken to provide for their public distribution and the maintenance of a ready market.

"The Comptroller's Office has requested the Board and your Bank to treat this copy of the opinion as confidential information as the position stated therein has not been issued as a public ruling, but you are at liberty to advise the member bank of the substance of the ruling."

Approved unanimously.

Letter to the Secretary of State prepared for the signature of Chairman Eccles and reading as follows:

"With further reference to our letter of January 20 and the consideration that has been given to problems raised by acquisition of the Pan American Trust Company of New York by the Bank of Mexico, it is thought that you would be interested in knowing that the Federal Reserve Bank of New York has been advised by the New York State Banking Department that it is anxious to have the trust company complete its program of increasing its capital stock and feels uncertain as to the regularity of the election of directors at the recent meeting of the trust company's shareholders in view of the fact that the Bank of Mexico did not vote its shares. Knowing that representations have been made to Mexican officials by Ambassador Messersmith, the State Banking Department is deferring action on these questions. This Board also has taken no action upon an application for determination of the question whether the Bank of Mexico is a holding company affiliate of the Trust Company under the terms of the law. In view of the fact that administrative actions are being held in suspense while representations are made to the Mexican Government, we trust that we may be informed as soon as possible of the result of those representations."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. ...

Chairman.

In accordance with the request set forth in your letter of April 14, 1945, the Board of Governors approved the appointment of Mr. ... as Assistant Federal Reserve Agent at ... effective ...

This approval is given with the understanding that he shall be deemed to be Agent's personal and shall be solely responsible for his conduct during a visit to the office of Agent, ... and to the Board of Governors ... of his duties. ... the duties as Assistant Federal Reserve Agent ... or during a visit to the office of the Federal Reserve Agent, of the ... President, ... incumbent at ...