

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, April 27, 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 April 26, 1945, were approved unanimously.

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. Ziemer, 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 approves the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on April 24, by

4/27/45

-2-

the Federal Reserve Bank of Atlanta on April 25, by the Federal Reserve Banks of New York, Richmond, Chicago, Minneapolis, Kansas City, and Dallas on April 26, 1945, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to the "Little River Bank and Trust Company", Miami, Florida, 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 the Presidents of all the Federal Reserve Banks reading as follows:

"For your information there is enclosed a copy of a memorandum, dated April 24, 1945, received from the Navy Department, signed by Commander Donald P. Welles, Chief of Finance Division, in reply to a question which has been raised as to whether financing may be properly afforded by means of a T-loan against receivables under a subcontract which has not been terminated (whether or not deliveries thereunder have been completed), if a war contract in a higher tier has been terminated.

"The procedure outlined in this memorandum has been concurred in by the War Department and approved by the Office of Contract Settlement. The Maritime Commission, however, advises us as follows:

4/27/45

-3-

"Since such financing, if it is determined to be necessary, can be made available to contractors by other means rather than by the proposed general extension of the use of either V or T loans or a combination of both, it was not felt to be appropriate in the case of the Maritime Commission to concur in the memorandum."

Approved unanimously.

Letter to Mr. Carstarphen, General Counsel of the Federal Reserve Bank of St. Louis, reading as follows:

"This refers further to your letter of 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.

"As indicated in our letter of March 1, 1945, this question was taken up with Commodity Credit Corporation; and there is enclosed a copy of a letter dated April 16, 1945, which we have received from the Corporation with respect to this matter.

"The letter from Commodity Credit Corporation does not discuss the question of negotiability of the Corporation's notes, which was one of the points mentioned in your letter of February 20. While it is not legally essential that such notes be negotiable in order to be eligible as collateral for advances under the eighth paragraph of section 13, the Federal Reserve Bank, in determining whether it is willing to make advances on the notes, will, of course, wish to give consideration to this question and to the advisability of obtaining adequate protection in any such case.

"If you think that the Board can be of any further help in this matter, we will, of course, be glad to hear from you further."

Approved unanimously.

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

"For your information there is enclosed a copy of a

4/27/45

-4-

"memorandum, dated April 21, 1945, received from the War Department, signed by Colonel Paul Cleveland, Chief, Advance Payment and Loan Branch, requesting that receipts be obtained from financing institutions for funds advanced to such financing institutions for the purchases of the guaranteed portions of Regulation V loans.

"We have received memoranda from the Navy Department and the United States Maritime Commission requesting that the procedure outlined in Colonel Cleveland's memorandum be followed in connection with loans guaranteed by the Navy Department and Maritime Commission."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

Paul Cleveland
Chairman.