

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, May 7, 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 May 5, 1945, were approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"In accordance with the request contained in Mr. Diercks' letter of May 2, 1945, the Board approves the designation of Edward M. Joseph as a special examiner for the Federal Reserve Bank of Chicago."

Approved unanimously.

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

"In accordance with the recommendation of the Executive Committee of the Board of Trustees of the Retirement System, the Board of Governors authorizes the Reserve Banks to supplement the retirement allowance payable to any member retired for disability to the extent necessary to provide:

A death benefit in respect of the pension portion of the allowance, equal to the salary received during the twelve months of employment prior to date of retirement, reduced by the amount

5/7/45

-2-

"of the pension payments received by the member."

Approved unanimously.

Letter to the board of directors of the "State Trust and Savings Bank", West Chicago, Illinois, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago.

Approved unanimously, for transmission through the Federal Reserve Bank of Chicago.

Letter to the board of directors of the "Newburgh State Bank", Newburgh, Indiana, stating that, subject to conditions of membership numbered 1 to 6 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of St. Louis.

Approved unanimously, together with a letter to Mr. Davis, President of the Federal Reserve Bank of St. Louis, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the 'Newburgh State Bank', Newburgh, Indiana, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution. Two copies of such letter are also enclosed, one of which is for your

5/7/45

-3-

"files and the other of which you are requested to forward to the Director, Department of Financial Institutions for the State of Indiana for his information.

"It is understood that in the State of Indiana trust funds deposited in the banking department of a bank are preferred claims in the event of liquidation of the bank. Therefore, you are authorized in accordance with the general authorization previously granted by the Board to waive compliance with condition of membership numbered 6 until further notice.

"In order that our files may be complete it will be appreciated if you will forward us a copy of the form of capital debentures issued by the bank and sold to the R. F.C."

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"Reference is made to Assistant Vice President Diercks' letter of April 25, 1945, and enclosures, submitting the request of the Ecorse-Lincoln Park Bank, Ecorse, Michigan, for permission to establish a branch in Allen Park, Michigan.

"It is understood that the State Bank Commissioner has approved the establishment of the proposed branch and, in accordance with the recommendation of the Reserve Bank, the Board approves the establishment and operation of a branch in Allen Park, Michigan, by the Ecorse-Lincoln Park Bank, Ecorse, Michigan, with the understanding that counsel for the Reserve Bank will review all steps taken to establish the Branch and satisfy himself as to the legality thereof."

Approved unanimously.

Letter to Mr. Neil G. Greensides, Acting Chief, Division of Examination, Federal Deposit Insurance Corporation, reading as follows:

"In compliance with the request contained in your letter of May 1, 1945, the Board of Governors of the Federal Reserve System hereby grants written consent, pursuant to the provisions of subsection (k)(2) of Section 12B of the Federal Reserve Act, for examiners for the Federal Deposit

5/7/45

-4-

"Insurance Corporation to examine the American State Bank, Ligonier, Indiana, in connection with its application for continuation of deposit insurance after withdrawal from membership in the Federal Reserve System.

"There are no unfulfilled conditions nor incomplete corrective programs with respect to the member bank in connection with which the Board would suggest incorporation of conditions for continuing its status as an insured bank."

Approved unanimously, together with a letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"There is enclosed for your information a copy of a letter sent today to Mr. Greensides, Acting Chief, Division of Examination, Federal Deposit Insurance Corporation, authorizing examiners for that Corporation to make an examination of the American State Bank, Ligonier, Indiana. Enclosed also is a copy of Mr. Greensides' letter to the Board requesting consent to examine the bank."

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. ...
Chairman.