

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, May 11, 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 10, 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. 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 approves the establishment without change by the Federal Reserve Bank of San Francisco on May 8, by the Federal Reserve Bank

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of Atlanta on May 9, by the Federal Reserve Banks of New York, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, and Dallas on May 10, 1945, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated May 7, 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 16, 1945:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
B. M. Unger	Senior Guard	\$1,860	\$1,980
Mary E. Johnson	Telephone Operator	1,500	1,620
Rae Brooks	Telephone Operator	1,440	1,560

The memorandum also recommended that the appointments of Miss Johnson and Mrs. Brooks be made permanent, effective May 16, 1945.

Approved unanimously.

Letters to the "Blackpipe State Bank", Martin, South Dakota, and the "Central Savings Bank and Trust Company", Monroe, Louisiana, 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.

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

"In accordance with the recommendation contained in your letter of May 5, 1945, the Board interposes no objection to the action of the Union Trust Company of Maryland, Baltimore, Maryland, in purchasing for \$20,500 the property at 2056 Harford Road, Baltimore, Maryland, on which it proposes to erect a branch bank building.

"It is noted that the bank proposes to erect a building on the property purchased as soon as necessary priorities can be obtained and attention is invited to the fact that before any further investment is made the matter should be referred to the Board for approval under the provisions of condition of membership numbered 8 to which the member bank is subject."

Approved unanimously.

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

"This refers to your letter of May 2, 1945, regarding the question whether veterans' loans under the Servicemen's Readjustment Act of 1944 are eligible as collateral for advances to member banks.

"The Servicemen's Readjustment Act contains no provision which expressly makes loans under that Act eligible for discount or for use as security for advances under the provisions of the Federal Reserve Act. Accordingly, the question of such eligibility is one which must be determined from the facts of each particular case in accordance with the requirements of section 13 of the Federal Reserve Act and of the Board's Regulation A. Generally speaking, it would appear that paper representing any such loan ordinarily would not comply with the requirement as to maturity; but it is possible that in a particular case the paper might meet this and the other requirements as to eligibility. Paper representing such loans would, of course, be eligible as collateral for advances to member banks under section 10(b) of the Federal Reserve Act.

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"We are not informed that consideration is being given to any proposal to amend the law in order to permit the use of these loans as collateral for advances under section 13 of the Federal Reserve Act."

Approved unanimously.

Thereupon the meeting adjourned.

Cohester Morrie
Secretary.

Approved:

W. C. C. C.
Chairman.