

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, June 2, 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 hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on June 1, 1945, were approved unanimously.

Memorandum dated May 30, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that James L. Zimmerman be appointed as a guard in that Division on a temporary basis for an indefinite period, with basic salary at the rate of \$1,500 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination. The memorandum stated that Mr. Zimmerman would become a member of the Board's retirement system.

Approved unanimously.

Memorandum dated June 1, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation

6/2/45

-2-

of John Hans Adler as an economist in that Division, effective as of the close of business on June 2, 1945, and recommending that the resignation be accepted as of that date with the understanding that appropriate payment will be made for the accumulated and accrued annual leave remaining to his credit at that time.

The resignation was accepted as recommended.

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

"The Board of Governors approves the changes in the personnel classification plan of the Louisville Branch as submitted with your letter of May 26, 1945."

Approved unanimously.

Telegram to Mr. Clark, Vice President of the Federal Reserve Bank of Atlanta, referring to the application of the "Farmers Bank of Pelham", Pelham, Georgia, for permission to withdraw immediately from membership in the Federal Reserve System, and stating that the Board waives the usual requirement of six months' notice of intention to withdraw, and that, accordingly, upon surrender of the Federal Reserve Bank stock issued to the Farmers Bank of Pelham, the Federal Reserve Bank of Atlanta is authorized to cancel such stock and make appropriate refund thereon.

Approved unanimously.

Letter to Morgan & Cie. Incorporated, New York, New York, reading as follows:

6/2/45

-3-

"This refers to your letter of May 25, 1945, addressed to the Federal Reserve Bank of New York, in which you refer to the agreement executed by your corporation with the Board of Governors of the Federal Reserve System on January 26, 1945, prescribing certain limitations on the operations of your corporation.

"You inquire whether the Board of Governors would have any objection to your corporation making acceptances which pertain to commercial transactions within France (not necessarily involving the import or export of goods or the furnishing of dollar exchange as specifically authorized by the agreement). You state that you are advised that, according to the custom in France, extensions of credit often take the form of acceptances when in the United States the form of credit which would be employed would be an ordinary loan evidenced by a promissory note.

"The Board of Governors will interpose no objection to your engaging in the type of acceptance credit transactions which are generally customary in France when such transactions are within the other limitations prescribed in the agreement. It is understood, of course, that in effecting such transactions you will be guided by the laws of France and by sound business judgment and banking principles as provided for in Section 3 of the agreement."

Approved unanimously, together with
the following letter to Mr. Rouse, Vice
President of the Federal Reserve Bank of
New York:

"This refers to your letter of May 25 transmitting a copy of a letter of the same date addressed to the Federal Reserve Bank of New York by Morgan & Cie. Incorporated relative to the question of whether Morgan & Cie. Incorporated may make acceptances in France which pertain to commercial transactions within France but which do not necessarily involve the import or export of goods or the furnishing of dollar exchange.

"Attached is a letter addressed to Morgan & Cie. Incorporated, together with a copy for your files, stating that the Board of Governors will interpose no objection to Morgan & Cie. Incorporated engaging in the type of acceptance credit transactions which are generally customary in France when such transactions are within the other limitations prescribed in the agreement entered into by Morgan &

6/2/45

-4-

"Cie. Incorporated with the Board.

"Please deliver the letter to Morgan & Cie. Incorporated."

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. Curlee
Chairman.