

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, June 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 June 6, 1945, were approved unanimously.

Memorandum dated June 5, 1945, from Mr. Carpenter recommending, for the reason stated in the memorandum, that Miss Helen A. Haltigan, a file clerk in the Secretary's Office, be granted leave of absence without pay for the period beginning June 6, 1945, and terminating not later than September 1, 1945.

Approved unanimously.

Letter to Mr. Sassman, Supervisor, Consumer Credit Department, Federal Reserve Bank of St. Louis, reading as follows:

"This is with reference to your letter of June 2, 1945, enclosing a copy of a letter dated May 31 received by you from the Building Guard Company, Memphis, Tennessee, suggesting that attic ventilating fans should be transferred from Group A of section 13(a) of Regulation W to Group C.

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"This question was considered at the time Amendment No. 16 was being formulated and it was decided that in view of the prices of such articles, their semi-luxury character, and the fact that they do not become an integral part of the structure, they belong in Group A rather than Group C. Terms of as long as 18 months without down payment do not appear appropriate for such items at this time.

"It is possible that your correspondent has the impression that the Board was acting to liberalize the provisions of the regulation. As you know, the intent was to simplify and standardize its application to activities related to home maintenance without change in the overall effect."

Approved unanimously.

Letter to Mr. Wiltse, Vice President of the Federal Reserve Bank of New York, reading as follows:

"Reference is made to your letter of May 29, 1945, submitting for the consideration of the Board, under the provisions of an applicable condition of membership, the proposed purchase by the Washington Irving Trust Company, Port Chester, New York, of a building located near the present site of its branch in Tarrytown, New York, and removal of the Tarrytown branch office to the new location.

"It is understood that the building is to be purchased for about \$15,000 and that the building now occupied by the branch in Tarrytown is to be sold with the result that the carrying value of the bank's investment in banking quarters will be increased a relatively small amount, less than \$10,000, including the cost of necessary alterations in the new quarters. In the circumstances, the Board will interpose no objection to completion of the transaction substantially as proposed provided approval of the appropriate State authorities is obtained."

Approved unanimously.

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

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"Reference is made to your letter of May 17, 1945, submitting for the Board's consideration, under the provisions of an applicable condition of membership, the proposal of Chester-Cambridge Bank and Trust Company, Chester, Pennsylvania, to assume the deposit liabilities of an uninsured bank in Chester. In accordance with an informal understanding between you and the Board's Division of Examinations, we have been holding the letter in abeyance pending submission of the matter to the F.D.I.C., prior approval by that Corporation being a statutory requirement since the private bank is uninsured. We have now received from the F.D.I.C. a copy of its telegram, dated May 29, to the State member bank consenting to the transaction provided the deposits assumed are to be covered by cash of a like amount.

"In view of the fact that the deposits of the private bank amount to only approximately \$220,000 as compared with nearly \$20 million for the Chester-Cambridge Bank and Trust Company, and also the fact that the deposits assumed are to be covered by a like amount of cash, it is obvious that the transaction will not cause any change in the general character of assets or broadening of the functions of the member bank within the meaning of condition of membership numbered 4 applicable to the member bank. Therefore, the Board will interpose no objection to completion of the transaction."

Approved unanimously.

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

"This refers to your letter of May 29, regarding the penalties of \$10.34 and \$18.21 incurred by First National Bank, Columbia, Kentucky, and Farmers National Bank, Lebanon, Kentucky, as the result of deficiencies in reserves during the semi-monthly periods ended November 30 and July 31, 1944, respectively.

"In the circumstances stated in your letter, the Board ratifies the action of your Bank in waiving the two penalties."

Approved unanimously.

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Letter to the Comptroller of the Currency reading as follows:

"Referring to our letter of June 13, 1944, it is requested that the order placed with the Bureau of Engraving and Printing for printing Federal Reserve notes of the 1934 series during the fiscal year ending June 30, 1945, be amended by eliminating 125,000 sheets of the \$10 denomination of the Federal Reserve Bank of New York and by adding 125,000 sheets of the \$20 denomination of that Bank."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morise  
Secretary.

Approved:

W. S. Coates  
Chairman.