

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, October 11, 1945, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Szymczak  
Mr. McKee  
Mr. Draper  
Mr. Evans

Mr. Carpenter, Secretary  
Mr. Connell, General Assistant,  
Office of the Secretary  
Mr. Morrill, Special Adviser  
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 October 10, 1945, were approved unanimously.

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

"In accordance with the request contained in your letter of October 8, 1945, the Board approves the appointment of Presley T. Creery as an assistant examiner for the Federal Reserve Bank of Richmond. If his appointment is not made effective November 1, 1945, as planned, please advise us."

Approved unanimously.

Letter to Mr. Mangels, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

10/11/45

-2-

"In accordance with the request contained in your letter of September 29, 1945, the Board approves the appointment of Karl H. Miller as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

Letter to Mr. Robert Weidenbach, Cashier of the First National Bank, Eldon, Iowa, reading as follows:

"Your letter of October 5, 1945, indicates that you are still under the impression that it is necessary for Mr. John H. Young, Cashier of the Iowa Trust and Savings Bank, Centerville, Iowa, to have a permit from the Board to serve also as president and director of the First National Bank, Eldon, Iowa.

"As stated in the Board's letter of September 21, 1945, the Banking Act of 1935 terminated the authority of the Board to issue permits in individual cases similar to the one issued to your former president, W. O. Steele. Since 1935 the Board's authority in the matter of permitting interlocking relationships has been limited to prescribing in its Regulation L the conditions and circumstances under which a person may or may not serve more than one bank. A copy of this regulation was enclosed in our previous letter.

"It is understood from your letters that a majority of the shares of stock of the Iowa Trust and Savings Bank is owned by shareholders who also own a majority of the shares of The First National Bank. It is also our understanding that these banks do not operate in the same or contiguous or adjacent communities. On the basis of these facts, Mr. Young is authorized, under clauses 4 and 5 on page 7 of the Board's Regulation L, to serve these banks in the capacities indicated."

Approved unanimously.

Telegram to Mr. Mangels, Vice President of the Federal

10/11/45

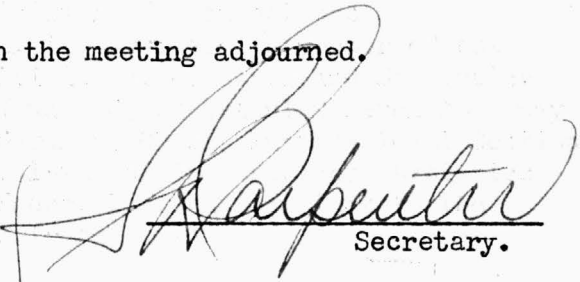
-3-

Reserve Bank of San Francisco, reading as follows:

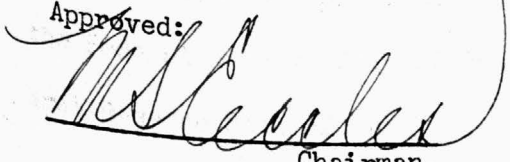
"Your wire. Guaranty Trust Company of New York inquired of Board whether loan to Affiliated Fund, Inc., would be subject to Regulation U if it were revised so as to change certain of its terms, including a disclaimer of any lien on securities now serving as collateral, and placing them with third party custodian. Guaranty urged that this would be a new and unsecured loan not subject to Regulation U. Board expressed the opinion that loan by Guaranty under the proposal made would still be subject to provisions of regulation. While we have been told informally earlier today of new plan for Morgan and Company to head syndicate for loan to Affiliated Fund, have not been advised of details or furnished with documents. Board could not, of course, undertake to express an opinion on the question of effect of regulation on new plan except after receiving and having opportunity to study full information as to all the terms of the loan and proposed participation therein."

Approved unanimously, together  
with similar telegram to Mr. Davis,  
President of the Federal Reserve  
Bank of St. Louis.

Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Chairman.