

10/18/45 A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, October 18, 1945, at 2:00 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice 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 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 October 17, 1945, were approved unanimously.

Memorandum dated October 11, 1945, from Mr. Vest, General Attorney, advising that Mrs. Ollie M. Croghan, a clerk in the Legal Division, plans to retire as of the close of business December 31, 1945, and will use her accumulated and accrued annual leave before that time.

Noted.

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

"In accordance with the request contained in your

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"letter of October 11, 1945, the Board approves the designation of the following as special assistant examiners for the Federal Reserve Bank of Philadelphia:

Henry Wright	John Doyle
Raymond M. Moore	Erwin T. Flynn
Kathleen J. Brandon	George W. Gray
Helen B. Cahilly	Luther Harr, Jr.
Anna M. Koller	Ira F. Johnson
Vera B. Magee	James P. McNames
Dorothy M. Stott	Joseph Mullen
Deborah A. Swing	Patrick J. Salimena
Wm. Hampton	Samuel J. Sauers
George F. Higgins	Frank A. Schofstal
Helen R. Holmes	Henry E. Sharp
Alice I. McCuen	Sidney Tucker
Evelyn R. Reichart	Guido J. Viglione
William Dambach	Ralph Whitehill
Joseph L. Biddle	Mark H. Morse
Alexander C. Carberry	Emily M. Gamber
Francis X. Curley	Joseph A. Dahms
Joseph D'Ambrosio	James Coan

John J. Davis

"Appropriate notations have been made in our records of the names reported as deletions."

Approved unanimously.

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

"In accordance with the requests contained in your letters of October 11, 1945, the Board approves the appointments of George R. McCament as an assistant examiner, and George R. Siegler, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Chicago. Please advise us of the dates upon which the appointments become effective."

Approved unanimously.

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

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"Reference is made to your letter of October 5, 1945, submitting the request of the Manufacturers and Traders Trust Company, Buffalo, New York, for approval of the establishment of a branch in Lancaster, New York, in connection with the proposed absorption of The Citizens National Bank of Lancaster, Lancaster, New York. It is noted that the Superintendent of Banks for the State of New York has approved the agreement for the proposed absorption.

"The Board concurs in your opinion that the absorption of the national bank will not result in any change in the general character of assets of the Manufacturers and Traders Trust Company or broadening in the functions exercised by it within the meaning of its condition of membership numbered 2. In accordance with your recommendation, the Board of Governors approves the establishment and operation of a branch in Lancaster, New York, by the Manufacturers and Traders Trust Company, Buffalo, New York, provided the absorption is completed substantially as proposed, the prior approval of the appropriate State authorities is obtained and counsel for the Reserve Bank will review and satisfy himself as to the legality of all the steps taken to effect the purchase of assets and assumption of liabilities and to establish the branch."

Approved unanimously.

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

"Retel fifteenth. Board will interpose no objection to purchase of banking premises of The Green Lake State Bank, Seattle, Washington, by Seattle Trust and Savings Bank, Seattle, Washington, for \$50,000 in connection with the proposed purchase of assets and assumption of deposit liabilities of the Green Lake State Bank. Board also concurs in your opinion that proposed transaction will not result in any change in the general character of the bank's business or scope of its corporate powers within the meaning of condition of membership numbered one."

Approved unanimously.

Letter to Mr. Flanders, President of the Federal Reserve Bank of Boston, reading as follows:

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"Reference is made to your letter of September 24, 1945, transmitting resolutions of the board of directors that, subject to the approval of the Board of Governors, the value of the land upon which the present building is located and of the land purchased on January 4, 1944, be written down to \$10 a square foot from \$15.00 and \$15.63, respectively. It is noted that in your opinion the present market value of the land is \$10 a square foot and, accordingly, the adjustments seem desirable in order that the books of the Bank reflect accurately the current market value.

"In 1943 the Board approved your Bank's writing down the carrying value of the land under the present building to \$15 per square foot provided the charge-off did not reduce carrying value below estimated market value. At the time, your Bank had under option the two properties at 6-12 Pearl Street and 99-111 Milk Street at a price equal to approximately \$22 a square foot for the building site, without allowing any value for the buildings located thereon. At the end of 1944 the Board's approval was requested for eliminating the estimated value of these buildings, \$81,150, making the cost of the land about \$16 per square foot, and also of further reducing the book value of the two parcels of land and of the land under the present building to \$10 a square foot. The charge-off of \$81,150 was approved, but with respect to the proposed reduction in the book value of land to \$10 a square foot, you were advised: 'In view of the uncertainty as to market value of land, Board has deferred until next year action on request for authority to write down book value of land to \$10 per square foot.'

"On December 22, 1944, you advised the Board that the assessed value of land under the present building was \$20 a foot, but that the entire assessment had been reduced in a compromise without allocation of the reduction between land and building, and that experts employed in the tax appeal case testified in 1942 on basis of sales of competitive properties that fair market value of the land did not exceed \$10 a foot. Also, as to the property purchased January 4, 1944, the land was assessed in two parcels--\$18 a foot for that on Pearl Street and \$40 a foot for that at the corner of Pearl and Milk Streets--but that applications had been made for reductions in these assessments.

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"It has been the Board's policy to authorize the Federal Reserve Banks to write down the book value of their land to not less than estimated market value. The Board has reviewed the matter in the light of this policy and the information you have submitted, and approves the proposed reduction in the book value of bank premises land to \$403,300 and in the book value of land carried as 'Other real estate' to \$139,960, or \$10 a square foot in each case."

Approved unanimously.

Letter to Mr. Grady, Chairman of the Federal Reserve Bank of San Francisco, reading as follows:

"At the completion of the examination of the Federal Reserve Bank of San Francisco, made as of July 19, 1945, by the Board's examiners, a copy of the report of examination was left for your information and that of the directors. A copy was also furnished President Day.

"The Board will appreciate advice that the report has been considered by the board of directors. Any comments you may care to offer regarding discussions with respect to the examination or as to action taken or to be taken as a result of the examination will also be appreciated."

Approved unanimously.

Cablegram to Sir Chintaman D. Deshmukh, Governor of the Reserve Bank of India, reading as follows:

"Mr. Norris Johnson of the Federal Reserve Bank of New York is returning home by way of Calcutta after accomplishing a financial mission in Iran. We have asked him to call at your Bank's offices in Calcutta probably early in November and shall deeply appreciate any courtesies you or your associates may show him."

Approved unanimously, together with similar cablegrams to Mr. Hugh T. Armitage,

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Governor of the Commonwealth Bank of Australia, and Mr. W. F. L. Ward, Governor of the Reserve Bank of New Zealand.

Thereupon the meeting adjourned.

[Handwritten Signature]
Secretary.

Approved:

[Handwritten Signature]
Chairman.