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A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, October 19, 1945, at 11:00 a.m.

PRESENT: 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 hereinafter referred to was taken by the Board:

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on October 18, 1945 (two meetings) were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System with the Presidents of the Federal Reserve Banks held on October 18, 1945, were approved unanimously.

Telegrams to Mr. Treiber, Secretary of the Federal Reserve Bank of New York, Mr. Davis, Vice President of the Federal Reserve Bank of Philadelphia, Messrs. Clouse and Stewart, Secretaries of the Federal Reserve Banks of Cleveland and St. Louis, respectively, and Mr. Earhart, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without

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change by the Federal Reserve Bank of San Francisco on October 16, by the Federal Reserve Bank of St. Louis on October 17, and by the Federal Reserve Banks of New York, Philadelphia, Cleveland, and San Francisco on October 18, 1945, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated October 15, 1945, from Mr. Pollard, Assistant Director of the Division of Examinations, recommending that, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination, Leroy N. Bengé be appointed on a temporary basis for an indefinite period as an Assistant Federal Reserve Examiner, with basic salary at the rate of \$3,310 per annum, and with official headquarters at New Orleans, Louisiana. The memorandum stated that Mr. Bengé would become a member of the Board's retirement system.

By unanimous vote, Mr. Leroy N. Bengé was appointed on a temporary basis for an indefinite period as an examiner to examine Federal Reserve Banks, member banks of the Federal Reserve System, and corporations operating under the provisions of Sections 25 and 25(a) of the Federal Reserve Act, for all purposes of the Federal Reserve Act and of all other acts of Congress pertaining to examinations made by, for, or under the direction of the Board of Governors of the Federal Reserve System, and was designated as an Assistant Federal Reserve Examiner, with official headquarters at New Orleans, Louisiana, and with basic salary at the rate of \$3,310 per annum, all effective as of the

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date upon which he enters upon the performance of his duties after having passed the usual physical examination.

Memorandum dated October 17, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that Walter L. Peregory, who has been on military leave, be reinstated in his position as Operator, Duplicating Devices, in that Division, with basic salary at the rate of \$2,496 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination.

Approved unanimously.

Memorandum dated October 16, 1945, from Mr. Carpenter, recommending that Miss Nancy Ruth Paterson be appointed as a file clerk in the Secretary's Office on a temporary basis for a period of not to exceed six months, with basic salary at the rate of \$1,704 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination and subject to a satisfactory check of her references. The memorandum stated that it was contemplated that Miss Paterson would become a member of the Board's retirement system.

Approved unanimously.

Memorandum dated October 15, 1945, from Mr. Pollard, Assistant Director of the Division of Examinations, reviewing the case of absence on account of illness of Herbert H. Hagler, an Assistant

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Federal Reserve Examiner, and recommending that Mr. Hagler be granted further leave of absence for a period of not to exceed ninety days, from October 20, 1945, with the understanding that the leave would not be charged against leave which he may subsequently accrue. The memorandum also stated that if Mr. Hagler were able to report for duty prior to the expiration of this extended leave, he would do so, and that otherwise the case would again be reviewed.

Approved unanimously.

Telegram to Mr. Willett, First Vice President of the Federal Reserve Bank of Boston, reading as follows:

"Reference wire October 18, Board approves designation of Ralph W. Wilson as special assistant examiner for the Federal Reserve Bank of Boston."

Approved unanimously.

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

"The Board of Governors approves the change in the personnel classification plan of the Charlotte Branch, Federal Reserve Bank of Richmond, involving the establishment of the position of Manager, Discount and Credit Department, as submitted with your letter of October 16, 1945."

Approved unanimously.

Letter to Mr. Taylor, Chairman of the Federal Reserve Bank of Dallas, reading as follows:

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"The Board approves payment of salary to W. E. Eagle as Vice President at the rate of \$6,600 per annum for the period November 1, 1945, to May 31, 1946, inclusive. It is noted that effective November 1, 1945, Mr. Eagle will serve as the managing officer of the El Paso Branch.

"The Board also approves payment of salaries to the following officers at the rates shown for the period October 16, 1945, to May 31, 1946, inclusive:

| | | |
|-------------------|-----------------------|---------|
| | <u>Head Office</u> | |
| J. Lee Cook | Assistant Cashier | \$5,000 |
| | <u>Houston Branch</u> | |
| Howard Carrithers | Cashier | \$4,200 |
| B. J. Troy | Assistant Cashier | \$3,600 |

"In accordance with the arrangement made by the directors to have Mr. W. J. Evans continue in his present capacity for the remainder of the calendar year following his retirement under the provisions of the Retirement System effective November 1, 1945, the Board approves payment of salary to Mr. Evans as Vice President and Secretary, at the rate of \$7,136.92 per annum for the period November 1, 1945, to December 31, 1945, inclusive, which is at the rate of his present salary of \$10,000 less the pension portion of the retirement allowance he will receive upon his retirement.

"All of the above salaries are at the rates fixed by your directors as reported in your letter of October 11, 1945."

Approved unanimously.

Letter to the board of directors of the "Farmers Bank and Trust Company," Knox, Indiana, stating that, subject to conditions of membership numbered 1 to 6 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago.

Approved unanimously, together with a letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

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"The Board of Governors of the Federal Reserve System approves the application of the Farmers Bank and Trust Company, Knox, Indiana, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Director, Department of Financial Institutions for the State of Indiana, for his information.

"As the amount of estimated losses shown in the report of examination for membership is relatively small, the usual condition of membership requiring the elimination of losses has not been prescribed. It is noted, however, that the bank expects to make provision for losses upon receipt of the State report.

"Since it is understood that in the State of Indiana trust funds deposited in the banking department of a bank are preferred claims in event of liquidation of the bank, you are authorized, in accordance with the general authorization previously granted by the Board, to waive compliance with condition of membership numbered 6 until further notice.

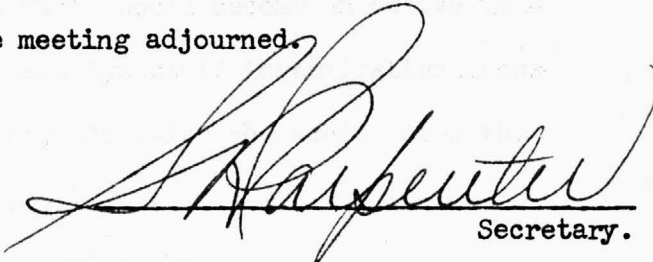
"It is assumed that you will follow the matter of the bank's providing adequate records and proper supervision of trust activities."

Telegram to Mr. Swanson, Vice President of the Federal Reserve Bank of Minneapolis, reading as follows:

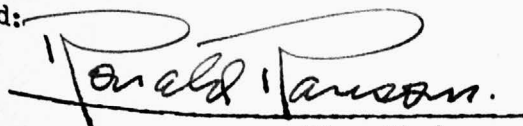
"Your wire. In view of definition of cash price in section 2(j), down payment should be calculated on price of electric range including installation expense. Electric water heaters, however, as a consequence of Amendment No. 18, are no longer subject to the regulation."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Vice Chairman.