

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, October 24, 1945, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. Draper

Mr. Carpenter, Secretary  
Mr. Connell, General Assistant,  
Office of the Secretary

The action stated with respect to each of the matters herein-  
after referred to was taken by the Board:

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

"In accordance with the request contained in your  
letter of October 19, 1945, the Board approves the ap-  
pointment of

Randolph V. Daly  
as an examiner for the Federal Reserve Bank of New York,  
the appointments of

Paul J. Cox  
John E. Horbett, Jr.  
Michael J. McDermott  
as assistant examiners, and the designation of  
Frank B. Allen, Jr.  
John R. Murray  
Beekman C. Slack

as special assistant examiners. Please advise us of the  
dates upon which the appointments of the examiner and the  
assistant examiners become effective."

Approved unanimously.

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

"The Board of Governors approves the change in the

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"personnel classification plan of the Federal Reserve Bank of St. Louis involving the establishment of the position of Utility Kitchen Man in the Cafeteria Department, as submitted with your letter of October 16, 1945."

Approved unanimously.

Letter to the board of directors of the "Charleroi Savings and Trust Company," Charleroi, Pennsylvania, 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 Cleveland. The letter also contained the following special comment:

"It appears that the bank possesses certain powers which are not being exercised and which are not necessarily required in the conduct of a banking and trust business, such as the power to act as surety in certain circumstances. Attention is invited to the fact that if the bank desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board of Governors before exercising them. In this connection, the Board understands that there has been no change in the scope of the corporate powers exercised by the bank since the date of its application for membership."

Approved unanimously, together with the following letter to Mr. Gidney, President of the Federal Reserve Bank of Cleveland, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the 'Charleroi Savings and Trust Company,' Charleroi, Pennsylvania, for membership in the Federal Reserve System, subject to the

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"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 Secretary of Banking for the Commonwealth of Pennsylvania for his information.

"It is assumed that you will follow the matter of the bank's bringing into conformity with the provisions of law and the Board's regulations the savings account mentioned on page 16 of the report of examination for membership and will advise the bank of the provision of Regulation Q requiring member banks to reserve the right to require not less than 30 days' notice in writing before the withdrawal of savings accounts."

Letter to the board of directors of "The American Bank, of Port Clinton, Ohio," Port Clinton, Ohio, stating that, subject to conditions of membership numbered 1 to 3 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 Cleveland.

Approved unanimously, for transmission through the Federal Reserve Bank of Cleveland.

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

"Retel today. Board extends to December 1, 1945, time within which The Bank of Leipsic Company, Leipsic, Ohio, may accomplish membership."

Approved unanimously.

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

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"Relet October 17. Board extends to November 28, 1945, the time within which Barnes Banking Company, Kaysville, Utah, may accomplish membership."

Approved unanimously.

Letter to "The Bank of Commerce, Wetumka, Oklahoma," Wetumka, Oklahoma, reading as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to membership in the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

Telegram to the Presidents of all the Federal Reserve Banks reading as follows:

"The Board has been asked whether under Regulation T a customer having a general account in which the adjusted debit balance exceeds the maximum loan value of the securities in the account may have delivered to him from the account a registered security (other than an exempted security) if he pays the broker an amount of cash equal to the current market value of the security delivered.

"The Board has ruled that such a transaction would be equivalent to a sale of the security and the receipt by the broker of the proceeds and that consequently the transaction is permitted by the regulation."

Approved unanimously.

Letter to Congressman Jerry Voorhis reading as follows:

"This is with reference to your letter of October 8 to Mr. Hammond, who is temporarily absent, enclosing

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"a letter from Mr. Frank J. Gardner, Huntington Park, California, relative to this Board's Regulation T.

"The recent changes raised margin requirements from 50 per cent to 75 per cent and prohibited individuals having undermargined accounts from using the proceeds of security sales to make new purchases without first bringing their accounts up to the 75 per cent level.

"In view of the continuing danger of inflation, the Board has felt that it would not be properly fulfilling its responsibilities under the Securities Exchange Act of 1943 if it were not fixing margin requirements at the 75 per cent figure. Nor has it felt that an individual who had a margin position at the time the changes were made should be able to continue trading on better terms than are available on new transactions to an individual who did not have such a position.

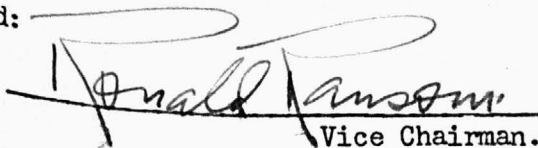
"Thank you for giving us the opportunity to comment on Mr. Gardner's letter, which we are returning to you herewith."

Approved unanimously.

Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Vice Chairman.