

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, November 16, 1945, at 10:30 a.m.

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

Mr. Carpenter, Secretary
Mr. Hammond, Assistant Secretary
Mr. Connell, General Assistant,
Office of the Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Chairman
Mr. Smead, Director of the Division
of Bank Operations
Mr. Parry, Director of the Division
of Security Loans
Mr. Leonard, Director of the Division
of Personnel Administration
Mr. Thomas, Director of the Division
of Research and Statistics
Mr. Vest, General Attorney
Mr. Brown, Assistant Director of the
Division of Security Loans
Mr. Wyatt, General Counsel

There were presented telegrams to Messrs. Treiber, McCreedy, and Clouse, Secretaries of the Federal Reserve Banks of New York, Philadelphia, and Cleveland, respectively, Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, and Mr. Earhart, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on November 13, and by the Federal Reserve Banks of New York, Philadelphia, Cleveland, and Chicago on

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November 15, 1945, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

There was then presented a joint memorandum from Mr. Evans and Mr. Parry, dated November 16, 1945, recommending adoption by the Board of the following amendment to Regulation W:

"AMENDMENT NO. 19 TO REGULATION W

"Issued by the Board of Governors
of the Federal Reserve System

"Regulation W is hereby amended in the following respects, effective December 1, 1945:

"1. Section 8 entitled 'EXCEPTIONS' is amended by adding thereto a new subsection reading as follows:

"(p) Demonstrators. - Any extension of credit which is to be repaid within not more than 12 months and is made to a bona fide salesman of automobiles in order to finance the purchase of a new automobile to be used by him principally as a demonstrator.

"2. Section 10 entitled 'RENEWALS, REVISIONS, AND ADDITIONS OF INSTALMENT CREDIT' is amended in two respects, as follows:

"(a) By adding the following sentence to Footnote 7 attached to section 10(a): Whenever the regulation is amended to increase the maximum maturity for any class of transactions, the terms of repayment 'permitted in the first instance' in so far as they relate to the maximum maturity for such class of transactions shall be deemed to be the terms applicable under the provisions of the amendment.

"(b) By adding at the end of Option 2 of section 10(b), after the words '12 months', a comma and the following: or within 18 months in case the consolidated obligation is an instalment loan and no part of the proceeds of the additional credit is to be used to purchase any listed article having a cash price of \$15.00 or more."

Mr. Parry explained that the proposed amendment was in the

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nature of a technical clarifying supplement to the amendment adopted by the Board, No. 18, which became effective on October 15, 1945, and which extended from 12 to 18 months the permissible maturity for installment loans that were not for the purpose of purchasing consumers' durable goods. He also said that the proposed amendment would permit (1) any such loan made when the maturity was limited to 12 months to have its maturity extended to 18 months from the time when the loan was made, and (2) additions to installment loans on a consolidated basis up to 18 months, provided the addition did not represent any credit for purchasing consumers' durable goods, and provided also that the consolidated obligation conformed to the established rule that payments shall be as large as those on the old obligation. The amendment would also restore to the Regulation provisions in effect prior to May 1942, which relieved an automobile salesman from having to meet the standard requirements in purchasing a new car which was to be used as a demonstrator.

The joint memorandum stated that the proposal had been discussed with the Federal Reserve Banks and also cleared informally with the Office of Price Administration, that the issues involved were discussed with Mr. Ransom before he left on vacation and it was felt that the amendment would have his endorsement, and that although it was on the liberalizing side, it introduced no new principle and represented no change in the Board's policy with respect to the regulation of consumer credit.

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Mr. Parry said that the only point on which there was any difference of opinion was the one relating to the extension of the maturity to 18 months on consolidated loans when the additional borrowing was not for the purpose of purchasing listed articles and that after weighing all of the considerations and the suggestions of the Federal Reserve Banks it was decided to recommend the change in the form proposed in the amendment.

Mr. McKee inquired whether it was not possible to make the Regulation less complicated in the interest of more effective compliance. Mr. Parry's response was that much more could not be done in that direction until the Board was ready to make more uniform the requirements with respect to down payments and maturity at which time much could be done to simplify its provisions.

Chairman Eccles inquired why the suggested changes in Section 10 of the Regulation were considered to be necessary and Mr. Parry said that they grew out of Amendment No. 18, that logically they were a part of that amendment but were not covered by its language, and that if it had been possible to consider the matter more fully at the time, the proposed changes would have been included in that amendment.

There was a discussion of how long the Regulation should be continued in the postwar period and Chairman Eccles expressed the opinion that as soon as the supply of consumers goods was rebuilt the Regulation should be abandoned for the reason that when surpluses

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developed and there was pressure to sell goods it would be next to impossible to enforce it. In the meantime he felt that the Regulation should be streamlined as rapidly as conditions would permit in order to make it more effective and enforceable.

At the conclusion of the discussion, upon motion by Mr. Evans, the amendment to Regulation W was approved unanimously in the form set forth above with the understanding (1) that it would be sent by wire to the Federal Reserve Banks with the request that they print and distribute it to interested persons in their respective districts, and (2) that the Board would not issue any press statement but that the Reserve Banks would be requested to advise interested national trade associations in advance of distribution.

At this point Messrs. Parry and Brown withdrew from the meeting and Mr. Triffin, Economist, came into the meeting.

Mr. Evans referred to the informal conference of representatives of central banks in the Western Hemisphere which had been the subject of correspondence with the representatives of the central bank of Mexico. He said that when Mr. Triffin was in Mexico a short time ago, there was a further discussion of the matter and it appeared that the misunderstanding between the central bank and the Minister of Finance as to the purpose of the conference had been removed when it was made clear that the conference would be only for the purpose of discussing operating problems and exchanging information at the staff level, and that plans were now going forward for the conference some time in the late winter or early spring.

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In connection with the above matter Mr. Evans suggested that Mr. Urquidi, Economist for the central bank of Mexico, who is in the United States at the present time, be invited to a meeting of the Board in the near future for the purpose of making a short statement for 15 or 20 minutes with respect to conditions in Mexico.

In a discussion of the proposed conference, Mr. Triffin stated that the agenda for the conference would be prepared and the informal invitations would be sent by the central bank of Mexico but that representatives of the Board would have an opportunity to make suggestions. He also said that other central banks in Latin America are very much interested and that, while the first meeting would be held in Mexico City, it was possible that some kind of permanent organization would be worked out for other meetings at other central banks from time to time.

Chairman Eccles stated that the United States was faced with some of the most delicate and difficult international problems in its entire history and that the Board should not undertake to participate in a conference of this kind without informing the Treasury and State Departments of what the Board proposed to do. It was stated that the State Department was fully informed regarding the matter and that, for reasons which were outlined, it was believed it would readily approve the arrangement.

At the conclusion of the discussion, it was unanimously agreed (1) that Mr. Urquidi should be invited to be present

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at the beginning of the meeting of the Board on Friday, November 23, 1945, at 10:30 a.m. for the purpose of discussing current conditions in Mexico, it being understood that the plans for the proposed conference of central bank representatives would also be discussed with him at the same time, and (2) that following the meeting with Mr. Urquidi, Mr. Evans would make a recommendation to the Board with respect to its participation in the conference and who should attend as representatives of the Board and the Federal Reserve Banks.

At this point Mr. Triffin withdrew from the meeting.

Mr. McKee referred to a memorandum dated September 12, 1945, from Mr. Smead, in which it was stated that as a result of a reallocation of securities in the System open market account as of July 2, 1945, the Federal Reserve Bank of Boston received an additional allocation of \$150,395,000 of Government securities which, of course, involved a corresponding reduction in reserves; and that following payment for the securities on July 2, the Federal Reserve Bank of Boston, through oversight, failed to make the proper bookkeeping entries with the result that a deficiency in reserves against deposits existed until September 9, when the error was discovered by the Board's Division of Bank Operations. During this period the deficiency fluctuated between \$40,942,000 and \$130,823,000 and could have been avoided by transferring an amount from the Federal Reserve Agent's gold certificate fund to the Interdistrict Settlement Fund and pledging additional Government

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securities as collateral for Federal Reserve notes.

Mr. McKee stated that since the deficiency arose purely through oversight on the part of the Federal Reserve Bank of Boston in failing to make the proper bookkeeping entries there was some question whether a deficiency did in fact exist and that Mr. Schlaikjer, Counsel for the Reserve Bank, was of the opinion that before the penalty tax of approximately \$300,000 was paid to the Treasury all the facts in connection with the case should be presented to the Treasury. Mr. McKee went on to say that there was a question whether the presentation to the Treasury should be by the Bank only or jointly with representatives of the Board, that whatever action was taken should be decided on promptly because the payment, if made, would have to be made this calendar year, and that he knew of no basis on which the Board could present the matter other than to state the facts and abide by the Treasury decision as to whether the tax should be paid.

At the conclusion of a discussion, it was agreed unanimously that the matter be referred to Mr. McKee and the appropriate members of the Board's staff with power to act.

Mr. Bethea, Director of the Division of Personnel Administration, entered the meeting at this point.

Mr. Draper presented a memorandum dated November 15, 1945, from the Personnel Committee recommending an extension of the afternoon closing hour of the snack bar in the Board's cafeteria from 2:15 p.m. to 3:00 p.m.

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Mr. Leonard stated that after the action taken by the Board at its meeting on August 28, 1945, at which the morning hours of operation of the snack bar facilities were changed from 8:15 to 11:00 to 8:00 to 8:40, and the afternoon hours from 1:30 to 3:00 to 1:30 to 2:15, the Employees' Committee submitted a petition dated October 11, 1945, suggesting that the snack bar be kept open after the first hour of work each morning until 4:00 o'clock in the afternoon.

The Personnel Committee, Mr. Leonard said, felt there was no justification for change in the morning hour schedule but that it would now be in order to extend the afternoon hours somewhat. The former closing hour of 3:00 p.m., which represented an extension of only 45 minutes, was selected because of the Personnel Committee's understanding that to keep the snack bar open beyond that hour would require the employment of additional cafeteria personnel or the payment of overtime compensation.

In connection with the Committee's recommendation Mr. Leonard read a memorandum which it was proposed be sent to all employees of the Board setting forth the standards which the Board would expect the employees to observe in order to avoid abuse of the snack bar facilities.

Mr. McKee questioned the desirability of a memorandum in the form proposed by the Personnel Committee and his comment was followed by a general discussion of whether there was any justification for

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an extension of the hours during which the snack bar would be open and, if an extension were approved, what form the notification to the employees should take.

At the conclusion of the discussion, Mr. McKee moved approval of the recommendation of the Personnel Committee, effective immediately, with the understanding that the employees would be notified that such action was taken in response to their request on a trial basis.

This motion was put by the chair and carried.

At this point Messrs. Smead, Leonard, Thomas, Vest, Wyatt, and Bethea withdrew from the meeting.

The action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on November 15, 1945, were approved unanimously.

Memorandum dated November 9, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the basic annual salaries of the following employees in that Division be increased, as indicated below, effective as of November 18, 1945:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
William Hyde	Senior Guard	\$2,100	\$2,166
David Sullivan	Senior Guard	2,100	2,166
Adam V. Hauser	Guard	1,980	2,034
Clifford B. Myers	Guard	1,980	2,034
Charles R. Nichols	Guard	1,980	2,034

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<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Lee Ratliff	Laborer	\$1,620	\$1,638
Madalena Bertolini	Charwoman	1,620	1,638
Libbie L. Boyd	Charwoman	1,620	1,638
Sarah F. Corbin	Charwoman	1,620	1,638
Teresa Crowell	Charwoman	1,500	1,506
Margaret Dalton	Charwoman	1,560	1,572
Mary J. Enrico	Charwoman	1,620	1,638
Blanche E. Peacock	Charwoman	1,500	1,506
Ethel N. Sunderman	Charwoman	1,620	1,638
Almeda Steiner	Charwoman	1,620	1,638

Approved unanimously.

Letter to Mr. Creighton, Federal Reserve Agent at the Federal Reserve Bank of Boston, reading as follows:

"In accordance with the request contained in your letter of November 6, 1945, the Board of Governors approves, effective December 1, 1945, the appointment of Mr. John F. Mooney as Alternate Assistant Federal Reserve Agent to succeed Mr. Raymond J. Dunphy.

"This approval is given with the understanding that Mr. Mooney will be placed upon the Federal Reserve Agent's pay roll and will be solely responsible to him or, during a vacancy in the office of the Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties as Alternate Assistant Federal Reserve Agent he may, with the approval of the Federal Reserve Agent or, during a vacancy in the office of the Federal Reserve Agent, of the Assistant Federal Reserve Agent, and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent. Mr. Mooney should execute the usual oath of office, which should be forwarded to the Board of Governors.

"It is assumed that the Board's approval will be requested for the payment of salary to Mr. Mooney as Alternate Assistant Federal Reserve Agent."

Approved unanimously.

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Letter to Mr. Creighton, Chairman of the Federal Reserve Bank of Boston, reading as follows:

"This is in reply to your letter of November 6, 1945, advising of the program of postwar salary adjustments approved by the Board of Directors at its meeting of November 5.

"The Board of Governors authorizes your Bank to exceed maximum annual salaries under the personnel classification plan of your Bank in individual cases by as much as 15% of the first \$3,000 of the present unadjusted maximum annual salary, provided that the total annual salary, including any such excess over the maximum annual salary under the personnel classification plan, shall not exceed \$7,500.

"In accordance with the discussions at the recent joint meeting of the Board with the Conference of Presidents this authorization is granted as a temporary measure to take care of individual cases in the postwar situation pending a comprehensive revision of the personnel classification plan.

"It is noted from your letter that under the authorization contained in the Board's letter of October 31, 1945 (S-881), the program as approved by the directors includes the discontinuance of supplemental compensation as such effective as of the close of business December 31, 1945, and the merger of supplemental compensation with the basic salary together with increases in the maximum annual salaries under the personnel classification plan to provide for the merger of supplemental compensation with basic salary effective January 1, 1946.

"The Board of Governors also approves the payment of the following salaries for the period January 1, 1946, to April 30, 1946, inclusive, at the rates shown, which are the rates fixed by the Board of Directors for the purpose of converting supplemental compensation now received into basic salary:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Frank C. Gilbody	Assistant Cashier	\$5,800
Edward R. Murphy	Assistant Cashier	5,800"

Approved unanimously.

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

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"In accordance with the request contained in your letter of November 8, 1945, the Board approves the appointment of Harry Holmes Smith, Jr., as an examiner for the Federal Reserve Bank of Philadelphia. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

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

"This is in reply to your letter of November 10, 1945, advising of the program of postwar salary adjustments approved by the Board of Directors at its meeting of November 1.

"The Board of Governors authorizes your Bank to exceed adjusted maximum annual salaries under the personnel classification plan of your Bank in individual cases by as much as 15% of the first \$3,000 of the maximum annual salary, provided that the total annual salary, including any such excess over the maximum annual salary under the personnel classification plan, shall not exceed \$7,500.

"In accordance with the discussions at the recent joint meeting of the Board with the Conference of Presidents this authorization is granted as a temporary measure to take care of individual cases in the postwar situation pending a comprehensive revision of the personnel classification plan.

"It is noted from your letter that under the authorization contained in the Board's letter of October 31, 1945 (S-881), the program as approved by the directors includes the discontinuance of supplemental compensation as such effective as of the close of business December 31, 1945, and the merger of supplemental compensation with the basic salary together with increases in the maximum annual salaries under the personnel classification plan to provide for the merger of supplemental compensation with basic salary effective January 1, 1946.

"It is also noted from your letter that no officer's salary is affected as a result of the action taken by the Board of Directors and that the list of positions affected under the personnel classification plan is being prepared

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"and will be forwarded to the Board within a short time."

Approved unanimously.

Letter to Mr. Hays, First Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"The members of the Board appreciate your gracious letter of November 9 advising of your resignation as First Vice President of the Federal Reserve Bank of Cleveland at the end of this month to accept the position of Executive Vice President of the First National Bank of Cincinnati.

"In the eleven years which you have been with the Federal Reserve Bank of Cleveland in positions of progressive importance from that of Executive Secretary to the Industrial Advisory Committee to that of First Vice President, you have made a real contribution to the work of that institution. With that record the Board can well understand your pride in your association with the Federal Reserve System. The Board is pleased to have your assurances that in your new work you will continue to be a staunch champion of the interests of the Federal Reserve System.

"The Board regrets that you are leaving the official family of the Federal Reserve System, but is glad that your reason for doing so is to accept an offer which you feel that, in fairness to yourself and family, you cannot refuse. The Board wishes you every success in your new work and trusts that the ability and earnest efforts which have carried you far in the Federal Reserve System will also carry you far in your new field."

Approved unanimously.

Letter to Mr. Gidney, President of the Federal Reserve Bank of Cleveland, reading as follows:

"This is in reply to your letter of November 6, 1945, advising of the program of postwar salary adjustments considered by the Board of Directors at its meeting of November 1.

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"The Board of Governors authorizes your Bank to exceed adjusted maximum annual salaries under the personnel classification plan of your Bank in individual cases by as much as 15% of the first \$3,000 of the maximum annual salary, provided that the total annual salary, including any such excess over the maximum annual salary under the personnel classification plan, shall not exceed \$7,500.

"In accordance with the discussions at the recent joint meeting of the Board with the Conference of Presidents this authorization is granted as a temporary measure to take care of individual cases in the postwar situation pending a comprehensive revision of the personnel classification plan.

"It is noted from your letter that the Board of Directors at its meeting of November 1, 1945, also considered the desirability of discontinuing payment of supplemental compensation and increasing the maximum annual salary for each position under the personnel classification plan in an amount equal to the supplemental compensation now authorized in order to permit the merging of the supplemental compensation into basic salaries. It is also noted that, since the Board's letter dated October 31, 1945, (S-881), containing this authority was not received until November 2, the Board's letter will be called to your Board's attention at its next meeting in order that appropriate action may be taken."

Approved unanimously.

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

"This is in reply to your letter of November 8, 1945, advising of the program of postwar salary adjustments approved by the Board of Directors at its meeting on November 8.

"The Board of Governors authorizes your Bank to exceed adjusted maximum annual salaries under the personnel classification plan of your Bank in individual cases by as much as 15% of the first \$3,000 of the maximum annual salary, provided that the total annual salary, including any such excess over the maximum annual salary under the personnel classification plan, shall not exceed \$7,500.

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"In accordance with the discussions at the recent joint meeting of the Board with the Conference of Presidents this authorization is granted as a temporary measure to take care of individual cases in the postwar situation pending a comprehensive revision of the personnel classification plan.

"It is noted from your letter that under the authorization contained in the Board's letter of October 31, 1945 (S-881), the program as approved by the directors includes the discontinuance of supplemental compensation as such effective as of the close of business December 31, 1945, and the merger of supplemental compensation with the basic salary together with increases in the maximum annual salaries under the personnel classification plan to provide for the merger of supplemental compensation with basic salary effective January 1, 1946.

"The Board of Governors also approves the payment of the following salaries for the period January 1, 1946, to May 31, 1946, inclusive, at the rates shown which are the rates fixed by your Board of Directors for the purpose of converting supplemental compensation now received into basic salary:

		<u>Annual Salary</u>
	<u>RICHMOND</u>	
J. M. Nowlan	Assistant Cashier	\$5,580
	<u>BALTIMORE</u>	
A. C. Wienert	Assistant Cashier	4,980
	<u>CHARLOTTE</u>	
R. L. Honeycutt	Assistant Cashier	5,180"

Approved unanimously.

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

"Mr. Diercks' letter of November 1, 1945, to Mr. Paulger, Director of the Board's Division of Examinations, raises a question as to whether it is necessary for the Board to approve the reappointment of an examiner for the Federal Reserve Bank of Chicago upon his return from military service. The answer to this question depends upon the circumstances of his leaving and how he was carried on the records of the Bank during his absence.

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"If an examiner resigned prior to entering the military service and is subsequently reemployed, then technically his reappointment as an examiner by the Reserve Bank would require the Board's approval. If, however, the examiner did not resign but was carried on military leave and is merely reinstated to active duty after his return from military service, there would be no break in his appointment and no action by the Board is required.

"In such latter case, it would not be necessary to resubmit the matter to the Board for consideration but it is requested that the Board's Division of Examinations be informed as to the date the examiner returned to active duty. Information should be submitted also as to the salary rate and indebtedness.

"It is understood from Mr. Diercks' telegram of November 7 that Matthew F. Lynch and John A. Shinn were both regarded as having been absent on military leave and, in the circumstances, the Board's approval of their resumption of duties as examiners for the Federal Reserve Bank of Chicago is not required."

Approved unanimously, together with a letter to the Presidents of all the other Federal Reserve Banks transmitting a copy of the above letter.

Telegram to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"Relet November 9. Board approves payment of salary to Albert C. Michaelis as Assistant Cashier your Bank at the rate of \$5,000 per annum, for period November 16, 1945, to May 31, 1946, inclusive."

Approved unanimously.

Letter to "The Citizens National Bank," Blossburg, Pennsylvania, reading as follows:

"This refers to the resolution adopted on July 3, 1945, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

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"The Board, understanding that your bank has been discharged or otherwise properly relieved in accordance with the law of all of its duties as fiduciary, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is enclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal Reserve Act except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

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

"Reference is made to your letter of November 5, 1945, regarding the proposed change in the location of the Burlingame Office of the American Trust Company, San Francisco, California, from 1100 Burlingame Avenue, Burlingame, California, to the westerly side of Primrose Road, between Burlingame and Howard Avenues, a distance of approximately three blocks.

"It is understood that the Superintendent of Banks of California has indicated his approval of the proposed change, that the present quarters of the Burlingame Office are inadequate and that, in your opinion, the proposed change will involve no new elements of competition with other banks, and no change is contemplated in the general character of the business conducted by the branch which

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"will continue to serve substantially the same customers but to better advantage. In the circumstances, the Board will not consider the proposed removal as constituting the establishment of a branch within the meaning of Section 9 of the Federal Reserve Act."

Approved unanimously.

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

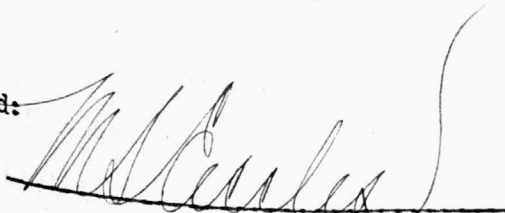
"In accordance with action of your board of directors and the request in your telegram November 15 the Board of Governors approves your making loans to the Banco de la Republica Oriental del Uruguay 'for current requirements' on same terms and conditions as approved in Board's telegram August 4, 1945, with understanding that total loans for purposes stated your wire August 2, 1945, your letter September 29, 1945, and your wire November 15, 1945 will not exceed \$18,000,000 in the aggregate at any one time outstanding."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.