

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, November 26, 1945, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman  
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 November 23, 1945, were approved unanimously.

Telegram to Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, stating that the Board approves the establishment without change by the Federal Reserve Bank of Minneapolis on November 23, 1945, of the rates of discount and purchase in its existing schedule.

Approved unanimously.

Memorandum dated November 15, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the salary of Fred A. Nelson, Assistant Director of that Division, be increased from \$8,225 to \$8,750 per annum, effective as of December 2, 1945.

Approved unanimously.

11/26/45

-2-

Memorandum dated November 21, 1945, from Mr. Carpenter recommending that the temporary appointment of Mrs. Hazel Pye, a file clerk in the Secretary's Office, which expires on November 27, 1945, be made permanent and that her salary be increased from \$2,040 to \$2,166 per annum, effective as of December 2, 1945.

Approved unanimously.

Letter to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"This refers to your letter of October 23, 1945, transmitting a copy of a letter agreement written to Mr. Henry J. Toombs outlining the terms of his employment as consulting architect. It is noted that Mr. Toombs is to furnish complete architectural services for new buildings and for alterations on existing buildings and is at present preparing plans for alteration of and the addition to the New Orleans Branch. It is noted also that the total fees for such architectural work are payable (1) 20 per cent on the completion of preliminary studies, (2) 55 per cent upon the completion of specifications and general working drawings, and (3) the remaining 25 per cent from time to time during the actual construction work.

"As you will recall, at the meeting of the Board with the Presidents on October 18, 1945, it was stated as the view of the Board that the Federal Reserve Banks should not undertake to engage architects or to prepare detailed plans and specifications for new, or additions or alterations to existing, Federal Reserve Bank or branch buildings until the situation was clarified with respect to reorganization of the Federal bank supervisory agencies. However, in view of the arrangement with the architect which was made by your Bank in September, the Board will interpose no objection to the completion of preliminary plans for the alteration and addition to your New Orleans Branch building, with the understanding that before you proceed with the preparation of detailed specifications and general working drawings you will take the matter up with the Board again. Preparation of preliminary plans in connection with any of your other buildings should not be undertaken without first consulting with the Board."

Approved unanimously.

11/26/45

-3-

Letter to Mr. Ernest S. Griffith, Director of Legislative Reference Service, The Library of Congress, reading as follows:

"This refers to your letter of November 1, 1945, addressed to Mr. Walter Wyatt, regarding the proposed establishment of a State legislative service.

"We have no doubt that the service described in your letter would be of value to many of the agencies of the Government. As far as the Board of Governors is concerned, however, the proposed service would probably be of only limited usefulness. It is the practice of the twelve regional Federal Reserve Banks to keep the Board advised of any important current developments in the fields with which the Board is principally concerned, and, for ordinary purposes, the permanent editions of the various State statutes which we have in our law library are sufficient to meet our needs.

"We appreciate your consulting us about this matter and affording us this opportunity to advise of the extent of our need in this connection."

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 changes in the personnel classification plan of the Federal Reserve Bank of St. Louis, involving the Personnel Department, as submitted with your letter of November 16, 1945.

"It is noted from your letter that maximum annual salaries now established for the positions of Interviewer and Employee Counselor and Personnel Clerk will be increased in accordance with any action taken by your Bank increasing maximum annual salaries under the personnel classification plan by the amount of supplemental compensation now authorized, in accordance with the authority contained in the Board's letter of October 31, 1945, S-881."

Approved unanimously.

Letter to "The First State Bank," Fairfax, Oklahoma, reading as follows:

11/26/45

-4-

"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.

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

"This refers to Mr. Diercks' letter of November 6, 1945, with regard to the application of Peoples Bank and Trust Company, Sunman, Indiana, for permission to exercise fiduciary powers.

"In view of the information submitted, and Mr. Diercks' recommendation, the Board of Governors of the Federal Reserve System grants the applicant bank permission, under the provisions of its condition of membership numbered 1, to exercise the fiduciary powers held by it under its charter and the laws of the State of Indiana. The Board's approval is given subject to acceptance by the bank of the following standard conditions prescribed in connection with the admission to membership of State banks exercising fiduciary powers:

1. Such bank shall not invest funds held by it as fiduciary in stock or obligations of, or property acquired from, the bank or its directors, officers, or employees, or their interests, or in stock or obligations of, or property acquired from, affiliates of the bank.
2. Such bank, except as permitted in the case of national banks exercising fiduciary powers, shall not invest collectively funds held by the bank as fiduciary and shall keep the securities and investments of each trust separate from those of all other trusts and separate also from the properties of the bank itself.
3. If funds held by such bank as fiduciary are deposited in its commercial or savings department or otherwise used in the conduct of its business, it shall deposit with its trust department security in the same manner and to the same extent as is required of national banks exercising fiduciary powers.

