

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, December 14, 1945, at 2:30 p.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice 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 December 13, 1945, were approved unanimously.

Telegrams to Messrs. Treiber and Clouse, Secretaries of the Federal Reserve Banks of New York and Cleveland, respectively, Mr. Leach, President of the Federal Reserve Bank of Richmond, Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, Mr. Ziemer, Vice President of the Federal Reserve Bank of Minneapolis, Mr. Caldwell, Federal Reserve Agent at the Federal Reserve Bank of Kansas City, 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 Bank of San Francisco on December 11, and by the Federal

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Reserve Banks of New York, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, and Kansas City on December 13, 1945, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated December 13, 1945, from Mr. Carpenter stating that from time to time the Board is requested to designate someone from its staff to witness the mutilation of signature plates bearing the names of officers of the Federal Reserve Banks which had been used in signing checks drawn in their capacity as Fiscal Agents of the United States, and recommending that Mr. R. E. Sherfy, with Mr. F. A. Walker as his alternate, both in the Division of Bank Operations, be designated to serve as witnesses for the year 1946.

Approved unanimously.

Letter to Mr. Clarence Wilkinson, Kerrville, Texas, reading as follows:

"We were very sorry to receive your telegram submitting your resignation due to the condition of your health.

"The Board wants to be sure that your resignation is not the result of any hasty decision and would prefer not to act on your resignation at this time but rather to give you further opportunity to recover from the strain of your military service.

"Accordingly, the Board will defer action on your resignation until April 1, 1946, unless you are fully convinced and satisfied that it would be in your best interests to resign before that time. If you have other plans and upon further consideration wish to have your resignation acted upon before April 1, please advise us. Also, please

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"let us hear from you from time to time as to how you are getting along.

"All your friends here extend their best wishes for your speedy return to good health."

Approved unanimously.

Letter to Mrs. Valerie R. Frank, Secretary of the Retirement Committee, Retirement System of the Federal Reserve Banks, Federal Reserve Bank of New York, reading as follows:

"We understand that the retirement office has raised the question in connection with the retirement of Mr. Oliver E. Foulk, a participant in the Board Plan, as to whether service rendered after age 65 is to be considered creditable service under the Board Plan.

"Under the provisions of paragraphs 3 and 7 of the resolution establishing the Board of Governors plan, it was the intent, in cases such as that of Mr. Foulk, that service rendered after age 65 would be considered as creditable service and that salary paid after age 65 would be taken into consideration in determining the highest average salary for any five consecutive years."

Approved unanimously.

Telegram to Mr. Woolley, Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"Relet. Board approves appointment of Edward V. Geary as assistant examiner for Federal Reserve Bank of Kansas City. Please advise effective date of appointment."

Approved unanimously.

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

"The Board of Governors approves the payment of salaries to the following officers for the period January 1,

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"1946, to April 30, 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 as indicated in your letter of December 6, 1945.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
	<u>HEAD OFFICE</u>	
Heward Armstrong	Assistant Cashier	\$6,000
James A. Randall	Assistant Cashier	6,000
Roland C. Milliken	Assistant Cashier	5,000
	<u>LOS ANGELES BRANCH</u>	
E. R. Barglebaugh	Assistant Manager	5,500
W. D. Durran	Assistant Manager	5,500
	<u>PORTLAND BRANCH</u>	
D. E. Bent	Assistant Manager	5,500
J. P. Blanchard	Assistant Manager	5,000
	<u>SALT LAKE CITY BRANCH</u>	
W. M. Scott	Assistant Manager	5,300
O. H. Barnard	Assistant Manager	4,700
	<u>SEATTLE BRANCH</u>	
R. H. Morrill	Assistant Manager	6,000
D. E. Simms	Assistant Manager	5,800"

Approved unanimously.

Letter to the board of directors of "The Farmers and Merchants Bank," Williamsburg, 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.

Letter to the board of directors of "Security State Bank," Mount Ayr, Iowa, stating that, subject to conditions of membership

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numbered 1 to 6 contained in the Board's Regulation H and the following special condition, 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:

- "7. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$570.59, as shown in the report of examination of such bank as of November 13, 1945, made by an examiner for the Federal Reserve Bank of Chicago."

The letter also contained the following special comment:

"The Board is prescribing the conditions of membership ordinarily prescribed for banks exercising fiduciary powers when they are admitted to membership, and it will not be necessary under condition of membership numbered 1 to obtain the permission of the Board before exercising such powers. It will be expected, of course, that when such business is undertaken, your bank will be equipped to handle it in a proper manner."

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

Letters to the "New Bethlehem Bank," New Bethlehem, Pennsylvania, and the "McAllen State Bank," McAllen, Texas, 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.

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

"Reference is made to your letter of December 10, 1945, submitting the request of the Manufacturers and Traders Trust Company, Buffalo, New York, for approval of the establishment of a branch in Lackawanna, New York, in connection with the proposed merger with The American Bank, Lackawanna, New York.

"The Board concurs in your opinion that the proposed merger will not result in any change in the general character of the assets of or broadening in the functions exercised by the Manufacturers and Traders Trust Company, within the meaning of condition of membership numbered 2 to which it is subject.

"In view of your recommendation, the Board approves the establishment and operation of a branch in Lackawanna, New York, by the Manufacturers and Traders Trust Company, Buffalo, New York, provided the merger is completed substantially as proposed and the prior approval of the appropriate State authorities is obtained, and with the understanding that Counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to effect the merger and establish the branch."

Approved unanimously.

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

"This refers to your letter of December 10 regarding the penalties of \$18.49 and \$14.21 incurred by Bank of Sharon, Sharon, Tennessee, and Citizens Bank of Pacific, Pacific, Missouri, as a result of deficiencies in reserves during the semi-monthly periods ended November 15, 1945 and November 30, 1945, respectively.

"In the circumstances stated in your letter, the Board will interpose no objection to your Bank's waiving the above-mentioned penalties."

Approved unanimously.

Telegram to Mr. Brainard, Chairman of the Federal Reserve Bank

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of Cleveland, stating that, subject to the conditions set forth in the telegram, the Board of Governors of the Federal Reserve System authorizes the issuance of a general voting permit, under the provisions of Section 5144 of the Revised Statutes of the United States, to the "BancOhio Corporation," Columbus, Ohio, entitling such organization to vote the stock which it owns or controls of "The Second National Bank of Circleville," Circleville, Ohio, at all meetings of shareholders of such bank, and that the period within which a permit may be issued pursuant to the authorization contained in the telegram is limited to 30 days from the date of the telegram unless an extension of time is granted by the Board. The condition contained in the telegram upon which the permit was authorized was as follows:

Prior to issuance of general voting permit authorized herein, applicant shall execute and deliver to you in duplicate an agreement in same form as that which applicant executed on December 2, 1941, as a condition to issuance of permit dated December 9, 1941.

The telegram also contained the following special comment:

"In advising BancOhio Corporation of Board's action in this matter you are requested to advise the corporation (in words you deem best suitable under the circumstances) that this permit was authorized by the Board of Governors after receipt and consideration of copies of Mr. Fletcher's letter to the corporation, dated September 28, 1945, and the corporation's reply, dated November 6, 1945."

Approved unanimously.

Telegram to Mr. Haefele, Assistant Counsel of the Detroit Branch, reading as follows:



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"Oral argument in Motor City Credit Jewelry Company matter postponed to 10:30 a.m., Monday, December 17."

Approved unanimously, together with  
a similar telegram to Mr. Hugh W. Allin,  
Detroit, Michigan.

Letter to Mr. Paulger, Director of the Division of Examinations,  
reading as follows:

"Paragraph 7 of Section 5240 of the Revised Statutes of the United States (Section 21 of the Federal Reserve Act), as amended, provides that the Board of Governors of the Federal Reserve System, at least once each year, shall order an examination of each Federal Reserve Bank.

"In accordance with this provision of the law, the Board orders that at least one examination of each of the 12 Federal Reserve Banks be made during the year 1946, and the Board authorizes and directs you to institute and conduct such examinations at such time or times as may seem advisable in your judgment."

Approved unanimously.

Memorandum dated December 12, 1945, from Messrs. Parry and Thomas, Directors of the Division of Security Loans and Division of Research and Statistics, respectively, requesting approval of the continuation to cover the year 1945 of the Retail Credit Survey, which was recommended last year by the Reserve System Committee on Current Reporting Series as a regular annual project. The memorandum stated that, except for a few minor changes to simplify reporting and interpretation and to improve the usefulness of the data collected, the proposed plans for the 1945 Retail Credit Survey were essentially the same as those for the year 1944.

Approved unanimously.



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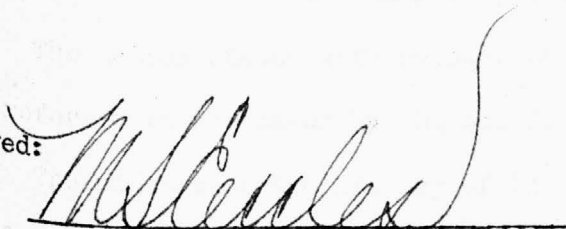
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Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Chairman.