

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, December 19, 1945, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman  
 Mr. Ransom, Vice Chairman  
 Mr. McKee (latter part of meeting)  
 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  
 Mr. Parry, Director of the Division  
 of Security Loans  
 Mr. Leonard, Director of the Division  
 of Personnel Administration  
 Mr. Vest, General Attorney  
 Mr. Brown, Assistant Director of the  
 Division of Security Loans

Before this meeting there had been sent to the members of the Board copies of memoranda dated December 17, 1945, from the Personnel Committee with respect to the appointment of Class C directors, designation of Chairmen and Federal Reserve Agents, and appointment of Deputy Chairmen at the Federal Reserve Banks for terms beginning January 1, 1946. The first memorandum recommended, in accordance with previous informal discussions, the appointment of all Class C directors whose terms expire at the end of this year except at the Federal Reserve Banks of Boston, St. Louis, Minneapolis, and Dallas, that Donald K. David, Dean of the Graduate School of Business Administration, Harvard University, and Paul E. Miller, Director of Agricultural Extension at the University of Minnesota, be appointed Class C directors

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of the Federal Reserve Banks of Boston and Minneapolis, respectively, and that an appointment to succeed Mr. Nardin as a Class C director of the Federal Reserve Bank of St. Louis not be made at this time as the Personnel Committee was not ready to recommend a person for that appointment. The memorandum also recommended that Mr. Parten, Deputy Chairman of the Federal Reserve Bank of Dallas, be requested to ascertain informally whether R. B. Anderson, General Manager of the Waggoner Estate, Vernon, Texas, would accept appointment as a Class C director of the Federal Reserve Bank of Dallas for a term of three years beginning January 1, 1946, and that the appointment be tendered if he would accept. The memorandum from the Personnel Committee with respect to the designation of Chairmen and Federal Reserve Agents and the appointment of Deputy Chairmen at the Federal Reserve Banks for the year 1946 included recommendations that Messrs. Shepard and Parten be designated as Chairmen and Federal Reserve Agents at the Federal Reserve Banks of Minneapolis and Dallas, respectively, for the year 1946, and that Messrs. Henry I. Harriman, W. D. Cochran, and R. B. Anderson (in the event he is appointed a Class C director) be appointed as Deputy Chairmen of the Federal Reserve Banks of Boston, Minneapolis, and Dallas, respectively, for the coming year.

The recommendations of the Personnel Committee were approved unanimously, and in accordance therewith actions were taken by the Board as set forth below:

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The following were appointed as Class C directors of the respective Federal Reserve Banks shown, each for a term of 3 years, beginning January 1, 1946:

<u>Name</u>	<u>Federal Reserve Bank</u>
Donald K. David	Boston
William I. Myers*	New York
Thomas B. McCabe*	Philadelphia
Reynold E. Klages*	Cleveland
W. G. Wysor*	Richmond
J. F. Porter*	Atlanta
W. W. Waymack*	Chicago
Paul E. Miller	Minneapolis
Lyle L. Hague*	Kansas City
Harry R. Wellman*	San Francisco

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\*Reappointment

The following were designated as Chairmen and Federal Reserve Agents at the respective Federal Reserve Banks shown for the year 1946, and the compensation of each as Chairman and Federal Reserve Agent was fixed on the uniform basis for the same position at all Federal Reserve Banks, i.e., the same amount as the aggregate of the fees payable during the same period to any other director for attendance corresponding to his at meetings of the board of directors, executive committee, and other committees of the board of directors:

<u>Name</u>	<u>Federal Reserve Bank</u>
Albert M. Creighton*	Boston
Beardsley Ruml*	New York
Thomas B. McCabe*	Philadelphia
G. C. Brainard*	Cleveland
Robert Lassiter*	Richmond
Frank H. Neely*	Atlanta
Simeon E. Leland*	Chicago
Roger B. Shepard	Minneapolis

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\*Redesignation

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<u>Name:</u> (Continued)	<u>Federal Reserve Bank</u>
Robert B. Caldwell*	Kansas City
J. R. Parten	Dallas
Henry F. Grady*	San Francisco

In accordance with the understanding reached at the meeting of the Board on December 6, 1945, the designation of a Chairman and Federal Reserve Agent at the Federal Reserve Bank of St. Louis to succeed Mr. Nardin was deferred pending the appointment of an additional Class C director.

The following were appointed as Deputy Chairmen of the respective Federal Reserve Banks shown for the year 1946:

<u>Name</u>	<u>Federal Reserve Bank</u>
Henry I. Harriman	Boston
William I. Myers#	New York
Warren F. Whittier#	Philadelphia
R. E. Klages#	Cleveland
W. G. Wysor#	Richmond
J. F. Porter#	Atlanta
W. W. Waymack#	Chicago
Douglas W. Brooks#	St. Louis
W. D. Cochran	Minneapolis
Robert L. Mehornay#	Kansas City
R. B. Anderson	Dallas
Harry R. Wellman#	San Francisco

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\*Redesignation

#Reappointment

Chairman Eccles stated that during the course of his recent discussions with Mr. Ruml with respect to his continued service as Chairman and Federal Reserve Agent at the Federal Reserve Bank of New York and of the part time arrangement with John H. Williams as

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Vice President of the Bank, the suggestion had been made that proposals be prepared which the Federal Reserve System might approve for meeting the present financial and monetary situation in the United States, including programs that might be adopted with respect to taxation, etc., and that he had arranged to meet with Messrs. Ruml and Sproul after the first of the year for the purpose of seeing if an agreement could be reached with them on such proposals.

At this point Mr. McKee joined the meeting.

Mr. Draper then presented a memorandum dated December 18, 1945, from the Personnel Committee with respect to the appointment of directors of branches of the Federal Reserve Banks for terms beginning January 1, 1946.

In accordance with the recommendations contained in the memorandum from the Personnel Committee, the following were reappointed as Directors of the respective branches of the Federal Reserve Banks shown, each for a term of 3 years beginning January 1, 1946:

<u>Name</u>	<u>Federal Reserve Bank Branch</u>
Francis H. Bird	Cincinnati
William Howard Smith	Birmingham
Charles S. Lee	Jacksonville
John J. Shaffer, Jr.	New Orleans
G. O. Boomer	Louisville
George W. Stocking	San Antonio

The following were reappointed as directors of the respective branches of the Federal Reserve Banks shown, each for a term of 2 years beginning January 1, 1946:

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<u>Name</u>	<u>Federal Reserve Bank Branch</u>
Malcolm E. Holtz	Helena
W. A. Alexander	Denver
Lloyd Noble	Oklahoma City
Y. Frank Freeman	Los Angeles
Henry Aldous Dixon	Salt Lake City

In accordance with the previous informal decision to reappoint Robert E. Doherty as a director of the Pittsburgh Branch for the term beginning January 1, 1946, it was agreed unanimously that the appointment should be made unless it were found that the informal advice received through the Federal Reserve Bank of Cleveland that his health would not permit him to continue was correct.

H. G. Chalkley was appointed as a director of the New Orleans Branch of the Federal Reserve Bank of Atlanta for the unexpired portion of the term ending December 31, 1947.

It was voted to request the Chairmen of the Federal Reserve Banks concerned to ascertain informally whether the following would accept appointments as directors of the respective branches shown, for terms beginning January 1, 1946:

<u>Name</u>	<u>Business</u>	<u>Federal Reserve Bank Branch</u>
Albert H. Burchfield, Jr.	Vice President, Joseph Horne Company, Pittsburgh, Pa.	Pittsburgh
In the event Mr. Doherty was unable to serve.		
James E. Hooper	Vice President, William E. Hooper & Sons Com- pany, Baltimore, Md.	Baltimore
On condition that he would resign as director of the Maryland Trust Co.		

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<u>Name</u>	<u>Business</u>	<u>Federal Reserve Bank Branch</u>
J. Howard Hornsby	Farmer, Decatur, Tennessee	Nashville
If it were ascertained that he would be able to attend meetings regularly and if not, it would be ascertained if J. L. Henderson, a farmer of Cowan, Tennessee, would accept the appointment.		
Prentiss M. Brown	Chairman, Detroit Edison Company, Detroit, Michigan	Detroit
On condition that he would resign as president and director of the First National Bank of St. Ignace, Michigan.		
Cecil C. Cox	Farmer, Stuttgart, Arkansas	Little Rock
Dorrance D. Roderick	President, Newspaper Printing Corp., El Paso, Texas	El Paso
George R. Brown	Vice President of Brown & Root, Inc., Houston, Texas	Houston
If he would not accept, the Chairman of the Dallas Bank would be asked to ascertain if Ross Stewart, partner and General Manager of C. Jim Stewart & Stevenson, Houston, Texas, would accept.		

Mr. Draper stated that recommendations regarding the appointments of directors at Memphis, Portland, and Seattle branches and to fill the existing vacancy at Pittsburgh would be submitted later.

During the discussion pertaining to the branch directors, attention was directed to the fact that several Federal Reserve Banks had adopted the plan of placing a vice president in charge of a branch as the managing officer instead of a managing director. Under this plan the vice president in charge of a branch does not serve as a member of the board of directors of the branch. Mr. Eccles called attention to the fact that this was consistent with the status of the president of the Bank who is not a member of the board of directors



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at the head office and pointed out that it was inconsistent for the remaining branches to continue to have as their chief officers managing directors who are members of the branch boards of directors. He suggested, therefore, that since the Board of Governors has the responsibility for determining the rules and regulations under which the branches are operated the Board should take the position that the managing officer of a branch should not be a member of the board of directors and that his title should be changed accordingly. There was general agreement with this suggestion, which would involve a change in the Board's existing rules and regulations, and it was also agreed that it should become effective beginning January 1, 1947.

The staff was requested to prepare for the approval of the Board a draft of the necessary change in the existing rules and regulations and a draft of a letter to the Federal Reserve Banks advising them of the Board's position.

Messrs. Goldenweiser, Economic Adviser, and Thomas, Director of the Division of Research and Statistics, came into the meeting at this point.

Mr. Draper referred to the discussion at the meeting on November 20, 1945, with respect to possible action by the Board in connection with margin requirements under Regulation T, Extension and Maintenance of Credit by Brokers, Dealers, and Members of National Securities Exchanges, and Regulation U, Loans by Banks for the Purpose



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of Purchasing or Carrying Stocks Registered on a National Securities Exchange. He stated that, while he was not prepared at this time to make a recommendation with respect to action that might be taken, in order that the Board might have something specific before it in connection with its consideration of this matter, there had been prepared drafts of amendments which would (1) increase to 100 per cent the existing 75 per cent margin requirements, and (2) apply the so-called "incidental squeeze" to all general accounts subject to Regulation T and all regulated loans subject to Regulation U with margins of less than 100 per cent.

The draft of the press statement which might be issued by the Board in the event these amendments were adopted was read by Mr. Draper, and in the ensuing discussion Mr. Ransom inquired whether counsel had any doubt as to the authority of the Board to increase existing margins to 100 per cent or to put a "bring up" margin requirement into effect.

Mr. Vest referred to the opinion submitted by the Legal Division under date of March 15, 1945, on the first point and stated that, while there was some doubt as to the Board's authority, and it was quite possible that there might be some litigation on the matter, it was his opinion that the action would be upheld by the courts. On the second point, he said that there might be some argument but that in his opinion adequate authority did exist for a "bring up" margin requirement.

Chairman Eccles stated that in view of the criticism of the

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Board's action increasing margin requirements to 75 per cent, he would like to issue a statement in connection with any further increase in margin requirements which, in addition to giving the reasons for the Board's action, would also state the reasons why the Board did not expect its action would be effective in counteracting speculation in the securities markets or in meeting the general inflationary situation and why adequate steps to meet these developments would require action far beyond the field of the Board's authority. He also stated that he would not want to take further action without first discussing the matter with the Director of War Mobilization and Reconversion, the Securities and Exchange Commission, and the Secretary of the Treasury.

There was a discussion of what action the Securities and Exchange Commission might take to bolster further action by the Board with respect to margin requirements, particularly in the light of the Board's experience with the loan by the Guaranty Trust Company of New York to Affiliated Fund, Incorporated.

Mr. Parry stated that there would not be much that the Securities and Exchange Commission could do, that if it were found that a large volume of loans was being made on an unsecured basis as a means of circumventing the provisions of Regulation U, the Board would be justified in amending the regulation to meet the situation, but that he did not feel that such an amendment was called for at this time.

Chairman Eccles suggested that such an amendment be drafted and sent to the Federal Reserve Banks for their comment so that the

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Board would be ready to act on the amendment in case of necessity.

After a discussion of this point the meeting recessed and reconvened at 2:30 p.m., with the same attendance as at the end of the morning session.

Consideration was given to the question of the most appropriate time of any action by the Board further to increase margin requirements and, for reasons which were discussed, the opinion was concurred in that action would be better timed if it were taken after the first of the year. Mr. Parry said that so far as the market was concerned the action might be taken any time within the next 30 days.

Mr. McKee raised the question whether action by the Board might be made the occasion of a special report to Congress concerning the whole question of inflation and this suggestion was discussed.

At the conclusion of the discussion, it was understood that Messrs. Thurston and Parry would undertake the preparation of a statement along the lines suggested by Chairman Eccles at this meeting with the understanding that it would be ready for consideration by the members of the Board immediately after January 1, 1946, with a view to a decision by the Board following the return of Chairman Eccles from the West about the middle of January.

At this point Messrs. Parry, Leonard, Vest, Brown, Goldenweiser, and Thomas withdrew from the meeting.

The action stated with respect to each of the matters herein-after 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 December 18, 1945, were approved unanimously.

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Telegram to Mr. Young, President of the Federal Reserve Bank of Chicago, stating that, subject to conditions of membership numbered 1 to 6 contained in the Board's Regulation H and the following special condition, the Board approves the application of the "Fidelity Trust Company," Indianapolis, Indiana, for membership 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 \$4,389.19 in loans, and one-half of the estimated losses of \$13,586.88 in other assets, 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, and shall agree to charge off or otherwise eliminate the remainder of such losses on or before June 30, 1946."

The telegram requested that the Federal Reserve Bank advise the applicant bank of the Board's approval of the application and conditions of membership prescribed, together with necessary instructions as to the procedure for accomplishing membership and stated that a letter containing detailed advice regarding such approval would be forwarded to the applicant bank through the Reserve Bank. The telegram also contained the following special comment:

"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.

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

Approved unanimously.

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

"This refers to your letter of December 5 requesting authority to waive penalties of \$906.04 and \$76.07 incurred by Wilmington Trust Company and Security Trust Company, both of Wilmington, Delaware, as a result of deficiencies in reserves during the semi-monthly period ended November 15, 1945.

"It is noted that the deficiencies resulted from a misunderstanding by these member banks as to the time when the Federal Reserve Bank would debit their reserve accounts for certain remittances made by them for cash letters; that these remittances were made by the member banks on Friday, November 9, and, in accordance with the usual procedure, were debited by the Federal Reserve Bank to their reserve accounts on Saturday, November 10; that the member banks did not make corresponding entries on their books until Tuesday, November 13, because November 10 was a holiday in the city of Wilmington, November 11 was Sunday, and November 12 was a general holiday. It is further noted that the member banks now understand that in similar situations they will have to adjust their reserve position to take care of any debits that may be made to their reserve accounts on dates on which the Federal Reserve Bank is open but the member banks are closed.

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

Approved unanimously.

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

"Relet December 15. Board grants permission for Bank of Beaumont, Beaumont, California, to establish and operate a savings department as proposed provided formal

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"approval of the State Superintendent of Banks is obtained and counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to establish the department."

Approved unanimously.

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

"It is desired that the regular annual reports of holding company affiliates on Form F. R. 437 be obtained for the year ending December 31, 1945, or for the holding company affiliate's latest fiscal year if it differs from the calendar year. Accordingly, please request each holding company affiliate which has its principal executive office in your district, and which holds a general voting permit, to file such a report in duplicate with your Bank not later than February 1, 1946.

"Please inform us as to the number of copies of Form F. R. 437 which your Bank will need, in excess of its present stock, in obtaining the reports of holding company affiliates in your district. Since the form has not been revised, it is again suggested that it may not be necessary to furnish additional copies of the form to holding company affiliates which do not fill out the blank form but use it only as a guide for preparing their reports, and that such holding company affiliates be requested to submit their reports in substantially the same form and subject to the same instructions as in previous years.

"For further information as to the procedure to be followed in obtaining the reports, please refer to the memorandum (R-368-a) enclosed with the Board's letter of December 23, 1938 (R-368). The instructions contained in such memorandum are still applicable to the handling of the reports, with the exception that, instead of the requirement of the last two sentences of the memorandum that copies be obtained of the latest reports of examination by State supervisory authorities of nonmember uninsured subsidiary banks, it will be sufficient for our purposes if such reports are made available to your Bank for analysis and a copy of the analysis of each such report of examination (including excerpts of pertinent comments relative



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"to any criticized matters) is submitted to the Board.

"In view of the desirability of having the information contained in the reports available in the Board's files as promptly as practicable after the end of the year, it is requested that you forward to the Board one copy of each report immediately upon receipt by your Bank. It will be appreciated if you will review your copies of the reports as soon as practicable after they are filed with you with a view to determining their completeness, and request from the respective holding company affiliates such additional data and explanations as are necessary to complete or correct the reports. Please send to the Board immediately copies of any letters to the holding company affiliates requesting additional information. When such information is received it should be forwarded promptly to the Board.

"During the course of your complete or final review of the reports filed, you may find it necessary to obtain further information from the holding company affiliates. Copies of any requests for such information, and the additional information submitted, also should be forwarded promptly to the Board. It is contemplated that after your Bank has made the necessary review and analysis of reports of examination by the supervisory authorities of the banks and their affiliated organizations in each group, and has completed the final review of each report filed by a holding company affiliate, a copy of the memorandum relating to the review will be forwarded to the Board, together with any recommendations, comments or suggestions which you may have regarding each case."

Approved unanimously.

Letter to Mrs. Frank, Secretary of the Retirement Committee, Retirement System of the Federal Reserve Banks, reading as follows:

"Reference is made to your letter of December 3, 1945, which transmitted for the Board's consideration the resolutions pertaining to employees who have been on military service and which would:

1. Permit, under certain conditions, a former employee with ten or more years of creditable service to elect a deferred retirement benefit even if he doesn't return to the employment of the Bank; and



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"2. Provide, under certain conditions, that the two-year period during which reemployment may be effected with reinstatement of accrued benefits shall run from the end of military or related service rather than from the date the employee left the service of the Bank.

"The Board approves the resolutions as adopted by the Executive Committee of the Board of Trustees."

Approved unanimously.

Telegram prepared for the signature of Chairman Eccles to Mr. Harmodio Gonzalez, General Manager of the Banco del Paraguay, Asuncion, Paraguay, reading as follows:

"Greetings for Christmas and the New Year and congratulations on your new building. In absence of Governor Szymczak am expressing regret that he and other friends will not be able to accept your kind invitation."

Approved unanimously.

Letter to the Bank Melli Iran, Teheran, Iran, reading as follows:

"We have received your letter of May 8, which was much delayed in transit and in which you request information about training in the United States for certain of your employees as certified public accountants, specializing particularly in bank accounts, inspection, and audit. We are honored by your inquiry and shall be very glad to be of as much assistance to you as we can. To this end we offer the following comments and suggestions.

"In the United States the issuance of certificates to individuals authorizing them to practice as certified public accountants is governed by the laws of the several States, and there is some variation as to the requirements imposed. Some States require a man to have thorough training in accountancy, auditing, business law, and certain related subjects, as well as experience in the work of the profession, before he is even permitted to take the State

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"examinations which he must pass in order to qualify for certification as a certified public accountant. In other States, it is almost impossible for the average person to pass the required examinations unless he has had such training and experience, though he may take the examination if he wishes to do so.

"A large number of institutions are available in this country for the necessary formal training. All of the larger universities and colleges and many of the smaller schools offer courses in accountancy as a part of their curricula. There are also many schools which specialize only in accounting and closely allied subjects. It is difficult to make a definite statement as to the minimum of training that is necessary, but in view of the nature and scope of the examinations which must be passed in most States to qualify for a certified public accountant's certificate, it may be stated that it would be difficult for the average person to pass the required examinations with less than two years of training, or probably more.

"You state that knowledge and experience of nonbanking accounts are not required by you, and therefore should be restricted to the minimum necessary to pass the examinations. Most certified public accountants in the United States are concerned with the audit of the affairs of organizations other than banks. There are, it is true, a great many banks in the United States whose boards of directors employ firms of certified public accountants periodically to audit the affairs of the bank as an aid to the directors in discharging their responsibilities in the management of the bank, and there are a few firms of certified public accountants which specialize to some extent in bank audits. However, since most of the work of the certified public accountants deals with the accounts of organizations other than banks, the training which a prospective public accountant undergoes and the examinations which he is required to pass seldom touch directly upon bank accounts, inspection, and audit. The examinations now given by almost all of the States as a prerequisite to the issuance of a certified public accountant's certificate are those prescribed by The American Institute of Accountants, which is a nationwide association of men engaged in public accounting as a profession. If it is your desire to have your employees obtain certificates as certified public accountants, it may be that you would wish to obtain from the Institute more specific information

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"in this regard. The address of the Institute is as follows: The American Institute of Accountants, 13 East 41st Street, New York 17, New York.

"In view of the fact that you have stated in your letter that you wish to have your employees specialize particularly in bank accounts, inspection, and audit, and that knowledge and experience of nonbanking accounts are not required by you, you will probably be more interested in the training of your employees in the technique of bank examination as it is practiced in the United States. As you may be aware, banks in this country are subjected to periodic examination by examiners who represent and report to Federal supervisory authorities or the appropriate State bank authorities. Governmental bank examiners are not required to be certified public accountants, but some of them have obtained certificates. Many of them are graduates of universities or colleges and have had courses in accountancy as a part of their academic training. Many bank examiners have received an important part of the necessary training and background for their work by serving for a time as employees of banks.

"As indicated above, there are several official agencies in this country that carry on functions of bank supervision and examination. Each of the twelve Federal Reserve Banks has a bank examination department and, if it is your desire to have your employees trained in bank examination, our suggestion is that they be placed with certain Federal Reserve Banks for several months of practical instruction. They might then come to the Board's offices here in Washington for further instruction in certain supervisory aspects of the work. In some cases, it might be advisable for your employees to supplement their work at the Federal Reserve Bank with courses in accountancy. In most Federal Reserve Bank cities, excellent accounting courses are offered in night classes, making it possible for men to pursue their formal training courses while obtaining the practical experience.

"It seems to us a primary necessity that the employees you send have a good practical knowledge of English and that they also have practical experience in banking. Without these prerequisites, it would be almost impossible for them to derive profit from their studies with us.

"The following information regarding the procedure followed by another central bank that sends employees to the United States for study may be useful to you. These employees come primarily for study at one of our universities, but the

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"same plan would be practicable for other purposes. For several years, this central bank has sent two employees to the United States each year for a period of two years' study. Under this arrangement, two new men come to the United States each year and two, having completed their work, return home. There are always four in the United States at one time, and each year those who have come the year before are able to assist the newcomers in taking up their studies. We believe that it is much more satisfactory to have a succession of men undergoing preparation over a period of years than it is to send a large number all at once.

"We have discussed this matter with the Federal Reserve Bank of New York, and they assure us that they will be very glad to help in your training project. You might expect therefore that the men you send will work for a time at the Federal Reserve Bank of New York and for a succeeding period here at the Board's offices in Washington. Two members of your staff, Messrs. Abul Kasem Golshan-Bozorg and Enayetullah Neshvad, have recently made a stay at the Bank. Visits to other Reserve Banks might also be advisable.

"It seems probable that the members of your staff whom you would send to the United States would enter this country under the provisions of Section 3(1) of the Immigration Law as accredited officials of a foreign government; but this question would have to be answered by the American Legation in Teheran to which we suggest you refer it.

"We shall be glad to have your opinion of the course we suggest and to meet your wishes as nearly as possible."

Approved unanimously.

By unanimous vote, authority was given for the payment by the Board of the cost of a luncheon served in the Board's dining room today in honor of Mr. Goldenweiser who is retiring as Economic Adviser at the end of the year.

Memorandum dated December 13, 1945, from Mr. Paulger, Director of the Division of Examinations, stating that, when it was decided that he and Mr. Sloan, a Federal Reserve Examiner, should attend the State Supervisors Conference in New Orleans on November 28, 29, and 30, they

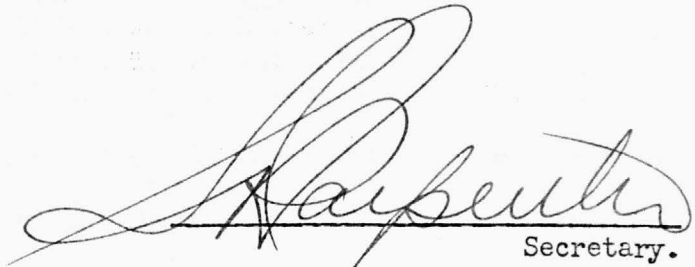
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arranged to fly to New Orleans because time was an important factor and recommending that, in view of the necessities of the case, their travel by plane be approved by the Board.

Approved unanimously.

Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Chairman.