

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, January 7, 1946, at 11:00 a.m.

PRESENT: Mr. Ransom, Vice Chairman  
 Mr. Szymczak  
 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 January 5, 1946, were approved unani-  
 mously.

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

"In accordance with the request contained in your letter of January 2, 1946, the Board of Governors approves the designation of Walter Henderson as a special assistant examiner for the Federal Reserve Bank of Atlanta."

Approved unanimously.

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

"In accordance with the request contained in your letter of January 2, 1946, the Board approves the designation of the following as special assistant examiners for the Federal Reserve Bank of Cleveland:

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<u>"Main Office</u>	<u>Cincinnati Branch</u>	<u>Pittsburgh Branch</u>
Balmer, R. K.	Crowley, J. W.	Johnson, Ivar C.
Denton, Elwood	Culman, Edward J.	Neeson, John R.
DeWard, Robert	Gerdes, Francis J.	Perry, Ira Dale
Forrest, George	Herbers, Herbert	Rupert, Joseph P.
Hauk, William J.	Lindenstruth, R. O.	Simpson, John, Jr.
Hogg, F. A.	Motz, Arnold	Smith, Munroe T.
Longmeyer, Harvey	Plogman, Herbert	
Miller, Robert F.		
O'Connor, John		
Rumbaugh, Paul		
Simmelink, Glenn W.		
Wendt, K. P.		

"Appropriate notations will be made in our records of the names reported as deletions."

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 December 3, 1945, advising of the reappointment of Mr. John H. McCoy, President, The City National Bank and Trust Company, Columbus, Ohio, as the member of the Federal Advisory Council to represent the Fourth Federal Reserve District for the year 1946, and of the action taken by the Board of Directors with respect to Federal Advisory Council fees and allowances.

"Until further notice, the Board of Governors authorizes your Bank to pay to the member of the Federal Advisory Council representing the Fourth Federal Reserve District a fee of \$20 for each day, or portion thereof, of attendance at meetings of the Council, and an allowance for subsistence of \$10 per diem for each day away from home for this purpose, plus traveling expenses.

"The Board of Governors also authorizes your Bank, until further notice, to pay not to exceed \$350 annually for secretarial and incidental expenses of the Federal Advisory Council."

Approved unanimously.

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

"This refers to your letter of December 31, 1945, in which you recommend that for the purpose of electing Class A and Class B directors Group 1 include banks having capital of \$2,000,000 or more instead of \$1,000,000 or more as at present.

"In accordance with your recommendation, the Board has changed the classification of member banks for the purpose of electing Class A and Class B directors of your Bank so that Group 1 will consist of banks having a combined capital and surplus of \$2,000,000 or more, Group 2 of banks with combined capital and surplus of more than \$200,000 and less than \$2,000,000, and Group 3 of banks with combined capital and surplus of \$200,000 or less."

Approved unanimously.

Letter to Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, reading as follows:

"Receipt is acknowledged of your letter of December 29, advising that in view of the uncertainty as to when Mr. Joseph C. Wotawa will be released from military service and assume the duties of General Auditor, Mr. Laurie T. Walker, who has been serving for several years as assistant to General Auditor, has been appointed Acting General Auditor for the interim, at his present salary rate of \$4,740 per annum.

"In view of the temporary nature of the arrangement, it is assumed that in your reports his salary will continue to be included in employees' salaries and not in salaries of officers."

Approved unanimously.

Letters to "The Farmers and Merchants Bank," Williamsburg, Ohio, the "Fidelity Trust Company," Indianapolis, Indiana, and the "Security State Bank," Mount Ayr, Iowa, reading as follows:

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"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. William C. Kunz, Vice President and Cashier of The Chase Bank, New York, New York, reading as follows:

"This will acknowledge with thanks your letter of December 20, 1945, advising that the Shanghai Branch of your bank formally reopened for business on December 10, 1945, and also that the Tientsin Branch formally reopened for business on December 20, 1945.

"It is noted that in due course reports will be furnished as contemplated by Regulation M."

Approved unanimously.

Letter to Mr. Lenfesty, Vice President and Cashier of The National City Bank of New York, New York, New York, reading as follows:

"This will acknowledge with thanks your letter of December 20, 1945, advising that the Tientsin Branch of your bank was re-opened for business on December 20, 1945.

"It is assumed that, when the officer-in-charge of the Branch makes his report to your office as contemplated by Regulation M, a copy of that report will be transmitted to the Federal Reserve Bank of New York."

Approved unanimously.

Telegrams to Mr. Creighton, Chairman of the Federal Reserve Bank of Boston, authorizing him to issue limited voting permits, under the provisions of Section 5144 of the Revised Statutes of the United States, to the "Shawmut Association," and "The National Shawmut

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Bank of Boston," both of Boston, Massachusetts, entitling such organizations to vote the stock which they own or control of "The Everett National Bank," Everett, Massachusetts, and the "Newton National Bank," Newton, Massachusetts, at any time prior to April 1, 1946, and to elect directors of such banks at the annual meetings of shareholders, or any adjournments thereof, and to act thereat upon such matters of a routine nature as are ordinarily acted upon at the annual meetings of such banks. The telegrams also stated that with respect to the Waltham Citizens National Bank, Waltham, Massachusetts, the Board would consider issuance of a limited permit to elect directors and to act upon other organization matters when the plans for organization have been completed and a permit is necessary.

Approved unanimously.

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

"There is enclosed for your information a copy of a letter which the Board has addressed to the President of one of the Federal Reserve Banks in response to an inquiry regarding an interpretation of section 11(a) of Regulation F as to the investment of trust funds by a member bank in stock of such bank."

Approved unanimously.

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

"Mr. Ruben Benitez, an official of the central bank of Paraguay, has been studying with us for several months

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"and would like to include in his work a visit to one of the western Federal Reserve Banks. He himself raised the question if he could go to Dallas. We wondered, accordingly, if it would be convenient for you to have him spend the period from the middle of January to the middle of February in study of Reserve Bank operations at your Bank.

"The central bank of Paraguay has recently been reorganized under a new law, in the composition of which Mr. Triffin and other members of the Board's staff were active. Mr. Benitez was selected by his bank to come to the United States and study American methods, with a particular view to his responsibilities in the new organization. Mr. Benitez will be one of the important executives of the bank. He speaks and understands English fairly well and reads it without difficulty. He is intelligent and appreciative, and I think you would find him very nice to get along with.

"We had planned to ask you about his visiting Dallas later in the spring, but circumstances have arisen which make it appear preferable if he could come sooner than we originally expected. This will explain our writing you so little in advance of the time he would like to visit Dallas. Since the time is short, we should be much obliged if we could have your reply by wire."

Approved unanimously.

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

"For your information, there is enclosed a statement showing the participation of Federal Reserve personnel during the month of December 1945 in the pay roll savings plan for the purchase of United States Savings Bonds.

"Now that the War is over and the Victory Loan Drive has been brought to a successful conclusion, it is believed that these reports may be discontinued. Therefore, in future, it will not be necessary to send to the Board the information relative to your pay roll savings plan requested in Board letters S-429, S-435 and S-724, dated January 28, 1942, February 4, 1942 and December 31, 1943, respectively, (F.R.L.S. #3949.1) which are hereby rescinded.

"As you know, the Secretary of the Treasury has

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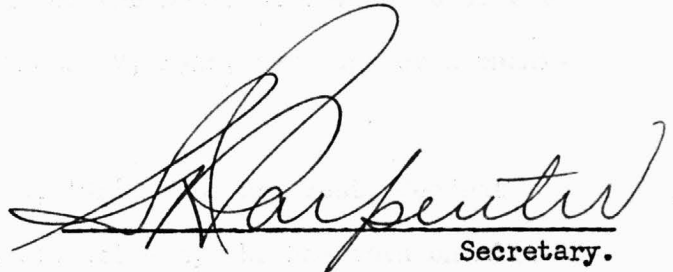
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"emphasized the importance of keeping pay roll savings plans for the purchase of bonds available to workers and the desirability of maintaining purchases of savings bonds at a high level. The Board is continuing its pay roll savings plan and will appreciate it if the Federal Reserve Banks will continue to operate their plans and submit the usual monthly reports to the Treasury, and otherwise to do what they can to foster the retention of the plans now in effect in their respective districts.

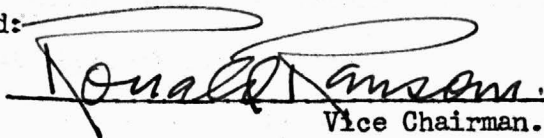
"The Board wishes to take this opportunity to thank you and the other officers and employees of your Bank for the splendid support given during the war to this important activity."

Approved unanimously.

Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Vice Chairman.