

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, July 27, 1945, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. Evans

Mr. Carpenter, Secretary  
Mr. Connell, General Assistant, Office  
of the Secretary  
Mr. Thurston, Assistant to the Chairman

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

Telegrams to Mr. Treiber, Secretary of the Federal Reserve Bank of New York, Mr. Blair, Assistant Secretary of the Federal Reserve Bank of Cleveland, Mr. Keesee, Secretary of the Federal Reserve Bank of Richmond, Mr. Hodge, Assistant General Counsel of the Federal Reserve Bank of Chicago, Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Earhart, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approved the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on July 24, and by the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, Minneapolis, Kansas City, and Dallas, on July 26, 1945, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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Memorandum dated July 23, 1945, from Mr. Carpenter recommending that the salaries of the following employees in the Secretary's Office be increased as indicated below, effective July 29, 1945:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Gladys Glover	Secretary to Mr. Carpenter	\$2,540	\$2,760
E. Betz Poeppel	Supervisor of Files Section	3,970	4,300

Approved unanimously.

Memorandum dated July 18, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the basic salaries of the following Messengers in that Division be increased as indicated, effective at the beginning of the first pay roll period following approval by the Board.

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Newton, James Harvie	Messenger	\$1,770	\$1,836
Reed, Samie	Messenger	1,704	1,770

Approved unanimously, effective July 29, 1945.

Memorandum dated July 24, 1945, from Mr. Smead, Director of the Division of Bank Operations, recommending that the basic annual salaries of the following twelve employees of that Division be increased, as indicated, effective as of the beginning of the first pay roll period following action by the Board.

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Mitchell, Willis H.	Supervisor, Call Report Section	\$4,190	\$4,300

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<u>Name</u>	<u>Title</u>	<u>Salary Increased</u>	
		<u>From</u>	<u>To</u>
Walker, F. A.	Senior Clerk	\$3,530	\$3,640
Goheen, Loretta M.	Senior Clerk	2,870	2,980
Jones, Marjorie F.	Senior Clerk	2,870	2,980
Muehlhaus, Margaret	Secretary to Mr. Van Fossen	2,650	2,760
Boyer, Rita S.	Clerk	2,540	2,650
Ball, Margaret K.	Clerk	2,430	2,540
Bryan, Evelyn	Clerk	2,430	2,540
Severud, Esther	Clerk-Stenographer	2,364	2,430
Conover, Esther W.	Clerk	2,364	2,430
Millican, Thelma C.	Clerk	2,364	2,430
Collins, Wesley B.	Messenger	1,770	1,836

Approved unanimously, effective July 29, 1945.

Telegram prepared for the signature of Mr. Szymczak to Mr. Goldenweiser, Economic Adviser in the Division of Research and Statistics, reading as follows:

"Answering your cable continue itinerary but plan to visit Bank of Italy if possible later. Informal suggestion that you make the trip to Rome came from State Department. Please cable us your schedule so that further advice may be sent you next week."

Approved unanimously.

Memorandum dated July 25, 1945, from Mr. Paulger, Director of the Division of Examinations, recommending that Ellery W. Baker, a clerk in that Division, be granted leave of absence without pay for a period of six months, beginning August 16, 1945, so that he may assist at the Service of Supply of the French Mission.

Approved unanimously.

Letter to Mr. Drinnen, First Vice President of the Federal

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Reserve Bank of Philadelphia, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of Philadelphia, involving the Collection Department and the Purchasing and Supply Department, as submitted with your letter of July 23, 1945."

Approved unanimously, together with a letter to the Wage Stabilization Division of the National War Labor Board, transmitting copies of a certificate of the Federal Reserve Bank of Philadelphia, with respect to two increases in maximum annual salaries at the Bank.

Memorandum dated July 23, 1945, from Mr. Ransom and Mr. Parry, Director of the Division of Security Loans, recommending for the reasons stated in the memorandum that the Board adopt the following amendment to Regulation W, Consumer Credit:

"AMENDMENT NO. 17 TO REGULATION W

"ISSUED BY THE  
BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

"Regulation W is hereby amended in the following respects, effective July 27, 1945.

"1. By changing section 8(d) to read as follows:  
"(d) Military Aircraft Credits. - Any extension of credit to finance the purchase of military aircraft other than a primary trainer.

"2. By inserting in clause (1) of section 8(h) entitled 'Agricultural Loans' the words 'or by any Federal land bank' following the words 'Federal Farm Mortgage Corporation'.

"3. By changing section 8(1) to read as follows:  
"(1) Railroad Watches. - Any extension of credit to finance the purchase of a railroad standard watch (whether

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"new or used) by a railroad time service employee, provided the Registrant obtains a statement signed by the division superintendent of the railroad by which the purchaser is employed certifying that the purchaser is required to carry such a watch in the performance of his duties and has no watch suitable for the purpose.

"4. By changing Item 3 in Group A of section 13(a) entitled 'Listed Articles' to read as follows:

"3. Aircraft (including gliders) designed for a useful load of 1,000 pounds or less."

Before this meeting Mr. Draper advised Mr. Carpenter that if he were present he would vote for the amendment. Messrs. Eccles and McKee were not available to express their views.

The amendment was approved unanimously, with the understanding that it would be sent by wire to the Federal Reserve Banks and that they would be requested to print the amendment and make the necessary distribution in the respective Federal Reserve districts. It was also understood that no press statement regarding the amendment would be made.

Letter prepared for Mr. Ransom's signature to Mr. F. J. Bailey, Assistant Director of the Legislative Reference, Bureau of the Budget, reading as follows:

"This refers to your letter of July 24, 1945, addressed to Chairman Eccles, enclosing a facsimile of the enrolled enactment of Congress of H. R. 3314, 'To provide for the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development,' and inquiring whether there is any objection to its approval by the President.

"This bill authorizes the President to accept membership for the United States in the International Monetary Fund and the International Bank for Reconstruction and Development as provided for by the Articles of Agreement of the Fund and of the Bank set forth in the Final Act of the United Nations Monetary and Financial Conference dated July 22, 1944.

"The Board favors the bill H. R. 3314 as passed by the Congress and enclosed with your letter and earnestly

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"hopes that it will be approved by the President. For your further information, there is enclosed a copy of a statement submitted by the Board of Governors to the Chairmen of the Banking and Currency Committees of the Senate and House of Representatives in March 1945, favoring the proposed 'Bretton Woods Agreements Act.'"

Approved unanimously.

Letter prepared for Mr. Ransom's signature to Mr. F. J. Bailey, Assistant Director of the Legislative Reference, Bureau of the Budget, reading as follows:

"This refers to your letter of July 24, 1945, addressed to Chairman Eccles, enclosing a facsimile of the enrolled enactment of Congress of H. R. 3771, 'To provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes,' and inquiring whether there is any objection to its approval by the President.

"This is to advise you that the Board of Governors has no objection to the approval of this bill.

"When this bill was being considered in Congress, the Board suggested that a provision be included so as to make the members of the board of trustees of the Export-Import Bank the same as those who comprise the National Advisory Council under the Bretton Woods enabling legislation; but in the circumstances the Board does not wish, of course, to press the matter at this time."

Approved unanimously.

Letter to Mr. S. Edgar Farquhar, Editor of the Grolier Encyclopedia, New York, New York, reading as follows:

"The request in your letter of July 18 that we authorize you to append a signature to the material you expect to publish in the Grolier Encyclopedia on the Federal Reserve System has given us occasion to review the position we have taken on such matters. We still find it undesirable for the names of Board officials to be

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"appended to such material unless a real responsibility is to be assumed, and to assume such responsibility in the case of numerous publications of varied editorial policy appears impractical.

"We do not wish to be unaccommodating but we do think that we should not depart from the position we have taken, and prefer that descriptive material on the System be used without the name of any staff officer or employee."

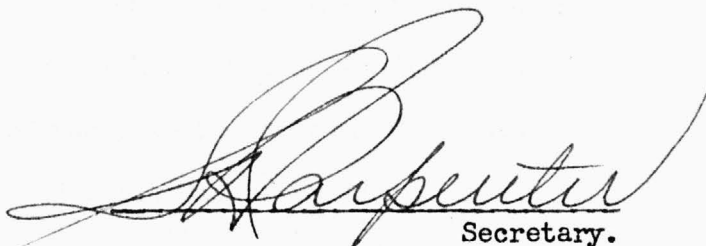
Approved unanimously.

Memorandum dated July 27, 1945, from Mr. Carpenter recommending that the basic annual salaries of the following employees in the Secretary's Office be increased, as indicated, effective July 29, 1945, and that the appointment of Miss Berl R. Stroud, a file clerk in the Secretary's Office, be made permanent, effective immediately:

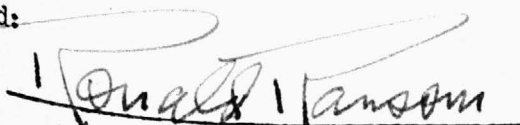
<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Bogart, Sidelle F.	File Clerk	\$1,836	\$1,968
Morley, Madge M.	File Clerk	1,836	1,968

Approved unanimously.

Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Vice Chairman.