A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, November 2, 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 hereinafter 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 1, 1945, were approved unanimously.

Telegrams to Messrs. Treiber, McCreedy, and Clouse, Secretaries of the Federal Reserve Banks of New York, Philadelphia, and Cleveland, respectively, Mr. Hodge, Assistant Secretary of the Federal Reserve Bank of Chicago, 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 October 30, and by the Federal Reserve Banks of New York, Philadelphia, Cleveland, Chicago, and San Francisco on November 1, 1945, of the rates of discount and purchase in their existing schedules.

Approved unanimously.
Memorandum dated October 29, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, stating that the State Department had requested the services of Paul Hermberg, an Economist in the Division of Research and Statistics, to serve as a member of the staff of the American Representative on the Allied Commission for Reparation from Germany to assist the Representative in forthcoming reparation negotiations which will take place in Paris, and recommending that the Board approve the request and grant the State Department the services of Mr. Hermberg on a nonreimbursable basis for not more than two months. The memorandum stated that the State Department was prepared to pay Mr. Hermberg's expenses and per diem during his absence from Washington, but that it was proposed that the Board continue to pay his salary at the present rate.

Approved unanimously.

Memorandum dated October 31, 1945, from Mr. Smead, Director of the Division of Bank Operations, recommending, for the reasons stated in the memorandum, that upon their return to the Board from military leave John R. Farrell, John C. Franzoni, and Andrew W. Lee be reinstated subject to compliance with the procedure adopted by the Board for uniform treatment of employees in military service, that each be given the title Technical Assistant and assigned to the Division of Bank Operations, and that salaries at the following rates per annum be approved: Mr. Farrell, $4,960; Mr. Franzoni,
11/2/45

Approved unanimously.

Memorandum dated October 31, 1945, from Mr. Carpenter recommending that the basic annual salary of the following employees in the Secretary's Office be increased, as indicated, effective as of the beginning of the pay roll period following approval by the Board:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Salary Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beatrice S. Hunter</td>
<td>File Clerk</td>
<td>From $2,430 To $2,540</td>
</tr>
<tr>
<td>Hazel L. Simpson</td>
<td>File Clerk</td>
<td>From $2,166 To $2,298</td>
</tr>
</tbody>
</table>

Approved unanimously, effective November 4, 1945.

Memorandum dated November 1, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Miss Pauline Marcou, a clerk in that Division, and recommending that the resignation be accepted as of the close of business November 7, 1945, and that a lump sum payment be made for the annual leave remaining to her credit at that time.

The resignation was accepted as recommended.

Memorandum dated November 1, 1945, from Mr. Bethea, Director of the Division of Administrative Services, submitting the resignation of B. G. Goods, a guard in that Division, and recommending that the resignation be accepted effective as of the close of business...
November 7, 1945, and that a lump sum payment be made for any accrued annual leave remaining to his credit at that time.

The resignation was accepted as recommended.

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

"The Board of Governors approves the change in the personnel classification plan of the Federal Reserve Bank of New York involving the establishment of the position of Senior Clerk in the Personnel Department, as submitted with your letter of October 19, 1945."

Approved unanimously.

Letter to Mr. Clouse, Assistant Vice President and Secretary of the Federal Reserve Bank of Cleveland, reading as follows:

"This refers to your letter of October 3, 1945, regarding Amendment No. 18 to Regulation W. A reply has been delayed, since, as you know, a proposed additional amendment is under consideration.

"However, with respect to your first question, it would seem that where a loan was made six months ago to a person for the purpose of financing home repairs and improvements, the loan may now be treated as exempt, in view of Amendment No. 18, and may consequently be revised on any basis on which the parties may agree, without regard to the provisions of Regulation W."

Approved unanimously.

Memorandum dated November 1, 1945, from Mr. Robinson, an Economist in the Division of Research and Statistics, requesting authority to furnish the Department of Justice and the War Shipping Administration, for the purpose stated in the memorandum, copies of the Board's
letter to the Federal Reserve Banks containing instructions covering
the preparation of forms in connection with the collection from member
banks of customer loan rates.

Approved unanimously.

Thereupon the meeting adjourned.

Approved:

Chairman.