

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

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Draper

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 10, 1946, 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. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, Mr. Caldwell, Federal Reserve Agent at the Federal Reserve Bank of Kansas City, and Mr. Gilbert, President of the Federal Reserve Bank of Dallas, stating that the Board approves the establishment without change by the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, and Dallas on January

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10, 1946, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated January 8, 1946, from Mr. Szymczak stating that Mrs. Dorothy Klise, his secretary, was going on maternity leave as of the close of business January 11, 1946, and recommending that Miss Elnyr Newcome be appointed as his secretary and that her salary be increased from \$2,980 to \$3,640 per annum, effective January 13, 1946. The memorandum stated that Mrs. Klise understood fully that her position in Mr. Szymczak's office would not be held open for her, but that it was her desire not to cancel her Civil Service status at this time.

Approved unanimously.

Memorandum dated January 9, 1946, from Mr. Bethea, Director of the Division of Administrative Services, recommending that Mrs. Doris Nygard be appointed as Assistant Supervisor, Cafeteria, Division of Administrative Services, on a temporary basis for an indefinite period, with salary at the rate of \$1,704 per annum based on a six-hour per day schedule, effective January 14, 1946. The memorandum stated that it was not contemplated that Mrs. Nygard would become a member of the retirement system.

Approved unanimously.

Memorandum dated January 10, 1946, from Mr. Leonard, Director

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of the Division of Personnel Administration, recommending (1) that Miss M. Callie Wickline, who has been on military leave, be reinstated as Nurse in charge of the Board's emergency rooms and health service, with salary at the rate of \$2,496 per annum, effective as of the date upon which she enters upon the performance of her duties, (2) that Mrs. Helen Braden, who was appointed Nurse during Miss Wickline's absence, be reinstated as Substitute Nurse, with salary at the rate of \$8.00 per calendar day worked, and (3) that the appointment of Mrs. Catherine E. O'Connell as Substitute Nurse be not revoked, in order that her services may be called upon should both Miss Wickline and Mrs. Braden not be available at any time.

The memorandum stated that Miss Wickline had passed the required physical examination in connection with her reinstatement.

Approved unanimously.

Memorandum dated January 10, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the salary of Mrs. Cora Jean Shupe, a Library Assistant in that Division, be increased from \$2,430 to \$2,650 per annum, effective as of the beginning of the first payroll period following approval by the Board.

Approved unanimously, effective
January 13, 1946.

Memorandum dated January 10, 1946, from Mr. Leonard, Director of the Division of Personnel Administration, recommending, at the request of Governor Szymczak, that Miss Ruth Smallwood be transferred

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from the Division of Administrative Services to Mr. Szymczak's office, and that her salary be increased from \$2,100 to \$2,166 per annum, effective January 13, 1946. The memorandum stated that the transfer had been discussed with the Division of Administrative Services which is agreeable to the arrangement.

Approved unanimously.

Letter to the Banco de Mexico, S. A., Mexico, D. F., Mexico, reading as follows:

"We thank you for your letter of December 22, enclosing the list of the 4,122 shares of the Pan American Trust Company that have been disposed of to private banks, in addition to the 13,200 shares that have been taken over temporarily by the Banco Nacional de Comercio Exterior and the Nacional Financiera. We have also noted that you are conferring with the banks of Mexico City regarding the sale of 20,000 shares still to be disposed of. We assume that the negotiations with respect to these shares relate to the larger transactions mentioned by Mr. Villaseñor in his conversation with Mr. Sproul, as referred to in our letter of October 26, 1945, and that we may anticipate further substantial progress in the near future toward the accomplishment of the program by March 1 as mutually agreed upon in August 1945. We understand that you will continue to keep us informed in the matter."

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"The Board of Governors approves the appointments of Messrs. Walter Harnischfeger, Martin H. Kennelly, Edward M. Kerwin, G. Barret Moxley, and James L. Palmer as members of the Industrial Advisory Committee for the Seventh Federal Reserve District to serve for terms of one year each beginning March 1, 1946, in accordance

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"with the action taken by your Board of Directors, as reported in your letter of January 4, 1946."

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"Mr. T. V. Datar, Chief Officer, Department of Banking Operations, Reserve Bank of India, Bombay, is spending several months in the United States studying bank examination and supervision policies and procedures. In connection with his visit, the Board agreed to draw up a plan of study and assist in making necessary arrangements.

"The Division of Examinations prepared a program of study for Mr. Datar, who arrived October 23. He has spent considerable time in the Division of Examinations and has visited other Divisions of the Board. After spending a week each at the offices of the Comptroller of the Currency and the Federal Deposit Insurance Corporation, he spent two weeks in New York visiting the Reserve Bank and the New York State Banking Department. In order that Mr. Datar might have an opportunity to observe the work of the FDIC Division of Liquidation, it has been suggested that he visit Chicago. As he will be in your city, we have suggested that he spend some of his time at the Chicago Reserve Bank where he would have an opportunity to go into the working of a Reserve Bank as a whole somewhat more fully than was possible at the New York Bank where his attention was primarily devoted to the Bank Examination Department. He is particularly interested in the following departments and functions: Cash, Member Bank Books, Loans, Discount and Credit, and Bank Relations.

"Enclosed is a portion of the study schedule followed in New York which may be of some interest.

"While he is out there on this trip, Mr. Datar would like to visit for a couple of days, one of your forward looking and well-run State Banking Departments. In view of your intimate acquaintance with the various Departments in your District, we shall leave to your good judgment the selection of the particular Department he should visit. The matter of travel involved is, of course, secondary but it would be helpful to know before he leaves Washington

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"as to which Department you think he should visit. If the foregoing is agreeable to you, Mr. Datar plans to leave Washington Saturday, February 2 via United Air Lines at 5 p.m., arriving in Chicago about 8:30 p.m. It will be appreciated if your Bank will reserve a room for him at some nearby hotel for a period of two weeks, beginning February 2, and advise us of the reservation.

"Mr. Datar will be given a letter of introduction to the Chicago office of the FDIC by one of the Corporation's officials here so it will not be necessary for you to introduce him to the Division of Liquidation. However, we are suggesting that he report to your office on the morning of Monday, February 4 before proceeding to the offices of the FDIC. If you have any other suggestions, we hope you will feel free to make them."

Approved unanimously.

Letter to Mr. E. F. Bartelt, Fiscal Assistant Secretary, Treasury Department, reading as follows:

"In accordance with the request contained in your January 3 letter, arrangements will be made, in connection with the furnishing of currency to the Federal Reserve Banks, to increase the amount of silver certificates currently being used to approximately \$50,000,000 a month until monetization of the 300,000,000 ounces of silver bullion carried in the General Fund of the Treasury at its cost value has been completed."

Approved unanimously, together with a letter to the Presidents of all the Federal Reserve Banks transmitting a copy of a letter dated January 3, 1946, from Mr. Bartelt and a copy of the above-quoted letter.

Memorandum dated January 9, 1946, from Mr. Bethea, Director of the Division of Administrative Services, submitting a voucher in favor of the Hudson Supply & Equipment Company for \$11.48, covering the cost of lumber purchased for use in building the speakers' platform

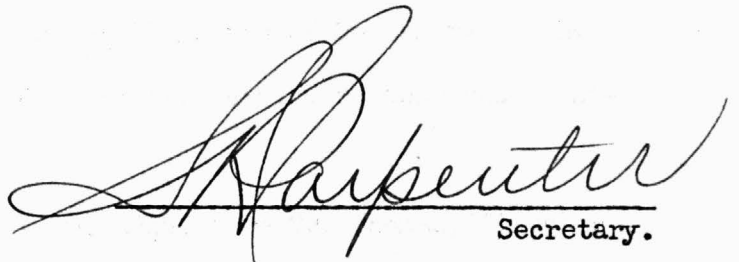
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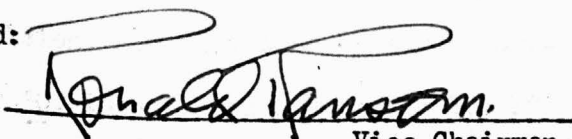
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for the Reserve Board Club Christmas party. The memorandum stated that the suggestion had been made that since the platform would be retained for use in connection with certain other functions which may be held from time to time, it would be appropriate for the Board to bear the expense, and therefore the bill was submitted prior to payment for approval as an expenditure of the Board.

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved: 
Vice Chairman.