

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, January 14, 1946, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. Draper
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 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 11, 1946, were approved unani-
mously.

Memorandum dated January 10, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that leave of absence without pay be granted Robert D. Carey, an Economist in that Division, for such time as may be necessary within the period December 30, 1945, through February 23, 1946, because of illness. The memorandum stated that Mr. Carey was a member of the Civil Service Retirement System, and no question as to contributions to the Retirement System during the period of leave of absence without pay was involved.

Approved unanimously.

Memorandum dated January 11, 1946, from Mr. Bethea, Director

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of the Division of Administrative Services, reading as follows:

"On January 24, 1935, Chairman Eccles sent individual letters to all Division Heads of the Board's staff, delegating to them authority to issue travel authorizations to members of their respective staffs for necessary official travel.

"Only three of the persons to whom such letters were addressed are still serving as Division Heads; namely, Messrs. Smead, Paulger and Parry. During the interim, the Board appointed six new Division Heads in the order stated, viz., Messrs. Leonard, Dreibelbis, Bethea, Thomas, Vest and Carpenter. In addition, the transfer of the functions of the Fiscal Agent to the Division of Administrative Services on January 1, 1946, makes it advisable to modify existing instructions to require the sending of copies of all travel authorizations to the Fiscal Section of this Division before commencement of travel rather than to the Fiscal Agent as required heretofore.

"Accordingly, it is recommended that the Board authorize Division Heads to issue travel authorizations to members of their respective staffs for necessary travel undertaken by them in the future in connection with the performance of official duties and ratify and confirm the exercise of such authority in the past. It would be understood that such authorizations would be in the prescribed form, would specify the travel to be performed as definitely as circumstances permit, and would be signed by the Division Head or, in his absence, by the Assistant Division Head in charge, and that all authorizations would be issued and copies sent to the Fiscal Section of the Division of Administrative Services before commencement of travel except in emergency circumstances when it was impossible to issue a prior authorization, in which cases authorizations would be issued as soon as possible and copies forwarded to the Fiscal Section.

"Under this arrangement authorizations for travel by Division Heads would continue to be issued by the Chairman or, in his absence, by the Vice Chairman of the Board."

Approved unanimously.

Letter to Mr. Laning, Vice President and Cashier of the Federal Reserve Bank of Cleveland, reading as follows:

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"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of Cleveland, involving the establishment of two new positions at the Cincinnati Branch, as submitted with your letter of January 8, 1946."

Approved unanimously.

Letter to Mr. Caldwell, Federal Reserve Agent at the Federal Reserve Bank of Kansas City, reading as follows:

"In accordance with the request contained in Mr. Koppang's letter of January 5, 1946, the Board of Governors approves, effective January 1, 1946, the payment of salary to Mr. Kenneth B. Self as Alternate Assistant Federal Reserve Agent at the rate of \$3,912 per annum.

"In view of the authority contained in the Board's letter of October 31, 1945, S-881, to discontinue supplemental compensation as such and to merge supplemental compensation into basic salary, the Board's records have been changed, effective January 1, 1946, to reflect this conversion with respect to the following members of the Federal Reserve Agent's staff, as indicated:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Maurice Allendoerfer	Assistant Federal Reserve Agent	\$3,372
W. R. Young	Federal Reserve Agent's Representative, Denver Branch	3,576
D. E. Chase	Federal Reserve Agent's Representative, Oklahoma City Branch	3,336
I. A. Thornton	Federal Reserve Agent's Representative, Omaha Branch	3,516

"It will be appreciated if you will advise if the salaries as shown above are not correct."

Approved unanimously.

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

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"This will acknowledge your letter of January 9 informing us of the forthcoming visit of Mr. D. E. Johns, Assistant Chief Cashier of the Bank of England. We shall be obliged if you will assure Mr. Johns when he calls at the Bank that we hope he will call at the Board's offices while he is here in Washington."

Approved unanimously.

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

"This refers to your letter of January 8, 1946, with which you enclosed a memorandum setting forth the proposed special procedure for destruction of the stocks of uncurrent Federal Reserve notes, Series 1928.

"The procedure for the destruction of these notes, as set forth in the memorandum, appears to be adequate and the Board has no changes to suggest therein. A copy of the memorandum is being furnished to each Federal Reserve Bank and Federal Reserve Agent with advice that they will be informed of changes, if any, that are made in the procedure before it is approved by the Secretary of the Treasury."

Approved unanimously, together with a letter to the Federal Reserve Agents and Presidents of all the Federal Reserve Banks reading as follows:

"Referring to the Board's letter of September 14, 1945, regarding the destruction of the existing stocks of Federal Reserve notes of the 1928 series, there are enclosed herewith a copy of the letter in regard thereto written to the Secretary of the Treasury under date of October 15, 1945, a copy of a letter dated January 8, 1946, from the Fiscal Assistant Secretary enclosing a draft of the special procedure suggested for destruction of these notes, and a copy of the Board's reply thereto.

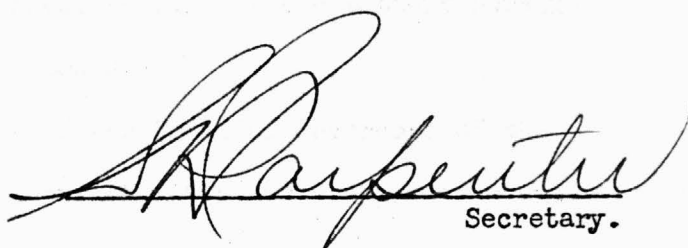
"You will be advised promptly if any changes are made in the proposed procedure before it is approved by the Secretary of the Treasury.

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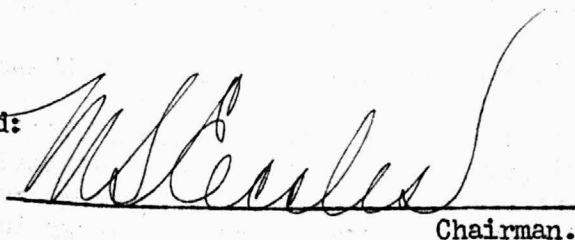
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"You will note that the procedure contemplates the destruction locally of unissued notes held in the joint custody of the Federal Reserve Agent and the Federal Reserve Bank provided available destruction facilities are approved by the Secret Service. In case suitable destruction facilities are not available, other arrangements for the destruction of the notes will be made after consultation with the Treasury."

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.