A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, January 21, 1946, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
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 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 January 18, 1946, were approved unanimously.

Memorandum dated January 17, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Howard S. Ellis, Assistant Director of that Division, and recommending that his resignation be accepted effective as of the close of January 20, 1946, and that a lump sum payment be made for any annual leave remaining to his credit at that time.

The resignation was accepted as recommended.

Letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:
"The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of New York for the period January 1, 1946 to March 31, 1946, inclusive, at the rates indicated, which are the rates fixed by the board of directors as reported in your letter of January 7, 1946:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edward O. Douglas</td>
<td>Vice President</td>
<td>$14,000</td>
</tr>
<tr>
<td>Herbert H. Kimball</td>
<td>Vice President</td>
<td>15,000</td>
</tr>
<tr>
<td>Otto W. Ten Eyck</td>
<td>Assistant Vice President</td>
<td>12,000</td>
</tr>
<tr>
<td>Spencer S. Marsh, Jr.</td>
<td>Manager, Accounting</td>
<td>7,500</td>
</tr>
</tbody>
</table>

"It is noted from your letter that the officers named above were appointed, and all other officers of the Bank and Branch, with the exception of the President and the First Vice President, whose terms are fixed by statute, and Mr. James M. Rice, Vice President, who will retire January 31, 1946, were reappointed for the period until the first meeting of the board of directors in 1947. The reappointments are noted with the understanding that the continuation of the part-time arrangement with Vice President Williams will be reviewed at an appropriate time in the light of the previous discussions.

"It is noted also that several of the officers have been given new assignments and that Mr. Norris O. Johnson has now been assigned as Manager of the Research Department.

"Thank you for the Officers Bulletin describing the current assignments of the various officers, which was enclosed with your letter."

Approved unanimously.

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

"Retel January 18. Board approves designation of Lester Hicks and Woodfin Goss as special assistant examiners for Federal Reserve Bank of Atlanta."

Approved unanimously.
Letter to Mr. Koppang, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"In accordance with the request contained in your letter dated January 11, 1946, the Board of Governors approves the payment of salary to Mr. Foster B. Kimmel, as a guard at the Denver Branch, at the rate of $1,896 per annum, which, according to our records, is approximately $12 in excess of the amount which could be paid for this position under the existing authority granted by the Board of Governors.

"It is noted that 15 per cent of the unadjusted maximum of $1,500 was used in establishing the figure of $1,863, mentioned in your letter. However, the Board's letter of December 17, 1945, was intended to authorize your Bank to exceed maximum annual salaries in individual cases by as much as 15 per cent of the first $3,000 of the maximum annual salary after adjustment to include supplemental compensation, provided that the total annual salary, including any such excess over the adjusted maximum annual salary, shall not exceed $7,500."

Approved unanimously.

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

"This is in reply to your letter of January 11, 1946, advising of the action taken by the Board of Directors with reference to the election of officers of the Federal Reserve Bank of St. Louis and its Branches.

"The Board of Governors approves the payment of salary to Mr. J. H. Gales as an Assistant Vice President for the period January 1, 1946, to May 31, 1946, inclusive, at the rate of $6,000 per annum, which is the rate fixed by the Board of Directors as reported in your letter.

"You will be advised later with respect to the election of and the salaries fixed for the President and First Vice President."

Approved unanimously.
Letter to Mr. Dearmont, Federal Reserve Agent at the Federal Reserve Bank of St. Louis, reading as follows:

"In accordance with the request contained in your letter dated January 14, 1946, the Board of Governors approves the payment of salaries to the following members of the Federal Reserve Agent's staff at the rates indicated:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank S. Parker</td>
<td>Assistant Federal Reserve Agent</td>
<td>$3,600</td>
</tr>
<tr>
<td>Minnie Smith</td>
<td>Alternate Assistant Federal Reserve Agent</td>
<td>2,640</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. A. Zehner</td>
<td>Alternate Assistant Federal Reserve Agent</td>
<td>$2,508</td>
</tr>
<tr>
<td>Carl Ritzel</td>
<td>Federal Reserve Agent's Representative, Memphis Branch</td>
<td>3,540</td>
</tr>
</tbody>
</table>

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

"Increased salaries adjusted also to include supplemental compensation have been approved for Messrs. John A. Links and G. H. Parsell as indicated in the Board's letter of December 28, 1945."

Approved unanimously.

Letter to Mr. H. J. Stoddard, President of the Michigan National Bank, Lansing, Michigan, reading as follows:
"This will acknowledge receipt of your letter of January 15, 1946, with reference to the reserves required of your bank under the amendment to Regulation D which became effective August 1, 1945. This matter is having our active consideration and we will communicate with you further in this regard at a later date."

Approved unanimously.

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

"Reference is made to your letter of January 11, 1946, submitting the request of The County Trust Company, White Plains, New York, for approval of the proposed mergers with the Ossining Trust Company, Ossining, New York, and the Fleetwood Bank, Mount Vernon, New York, and the establishment of one branch in Ossining and two branches in Mount Vernon.

"The Board of Governors concurs in your opinion that the proposed mergers will not result in any change in the character of the assets of The County Trust Company nor any broadening of the functions exercised by it within the meaning of condition of membership numbered 5 to which it is subject.

"In view of your recommendation, the Board approves the establishment and operation of one branch in Ossining, New York, and two branches in Mount Vernon, New York, by The County Trust Company, White Plains, New York, provided the mergers with the Ossining Trust Company and the Fleetwood Bank are effected substantially as proposed and prior approval of the appropriate State authorities is obtained.

"The Board understands that the merger agreements have been approved by the Superintendent of Banks of the State of New York and that Counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to effect the mergers and establish the proposed branches."

Approved unanimously.
Thereupon the meeting adjourned.

Secretary.

Approved: [Signature]

Chairman.