

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, January 28, 1946, at 10:30 a.m.

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

Mr. Hammond, Assistant 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 meetings of the Board of Governors of the Federal Reserve System held on January 25, 1946, were approved unanimously.

Memorandum dated January 21, 1946, from Mr. Carpenter recommending that Miss Sylvia I. Clements be appointed as a stenographer in the Secretary's Office, with salary at the rate of \$2,100 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination.

The memorandum stated that Miss Clements was a member of the Civil Service Retirement System, and that it was contemplated that she would continue as a member of that System.

Approved unanimously.

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Memorandum dated January 25, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Mrs. Jane Hall, a clerk in that Division, and recommending that the resignation be accepted effective as of the close of business January 30, 1946, 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.

Letter to Mr. Neely, Federal Reserve Agent at the Federal Reserve Bank of Atlanta, reading as follows:

"This is in reply to your letter of January 16, 1946, regarding the procedure contemplated for the issuance and redemption of Federal Reserve notes at the New Orleans Branch and of the appointments, in this connection, of Messrs. J. Val Westerhaus and D. J. Ducamus as your representatives.

"In your letter you state that Mr. Westerhaus holds the position of Vault Custodian and Mr. Ducamus the position of Assistant Vault Custodian. The Board has heretofore taken the position that Assistant and Alternate Assistant Federal Reserve Agents and Federal Reserve Agents' Representatives at the Federal Reserve Banks and Branches should not be connected in any way with the Cash Department of the Bank and the Board does not believe that it would be good policy to have vault custodians serve in such capacities. None of the Agent's Representatives at any other Federal Reserve Bank or Branch is connected, directly or indirectly, with the Cash or Vault Department.

"In the circumstances, it will be appreciated if you will reconsider the appointments of your representatives at the New Orleans Branch in the light of the Board's position as set forth above.

"Since it is the standard procedure for the Board to specifically approve salaries paid to Assistant Federal Reserve Agents, Alternate Assistant Federal Reserve Agents,

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"and Federal Reserve Agents' Representatives, it is suggested that your recommendations for the appointments at the New Orleans Branch also include the salaries proposed.

"It is also suggested that, at the same time, provision be made in the personnel classification plan of the New Orleans Branch for the position of Federal Reserve Agent's Representative as outlined in the Board's letter of April 2, 1937, X-9856."

Approved unanimously.

Telegram to Mr. Dearmont, Chairman of the Federal Reserve Bank of St. Louis, reading as follows:

"Your wire January 21, 1946 regarding service of Mr. A. C. Voris, recently appointed director of Louisville Branch, as member of board of trustees of Madison State Hospital, North Madison, Indiana. It is understood that such board consists of four members appointed by State Governor not more than two of whom shall be members of same political party, and that only compensation is \$300 annually and expenses not exceeding \$125. In these circumstances, it is believed that service of Mr. Voris as member of such board of trustees is not essentially political and does not contravene the spirit of the Board's resolution of 1915 with respect to holding of political or public office by officers and directors of Federal Reserve Banks. Accordingly, Board will offer no objection to his serving in that capacity while serving as director of Louisville Branch."

Approved unanimously.

Telegram to Mr. Strothman, Assistant Counsel of the Federal Reserve Bank of Minneapolis, reading as follows:

"Conclusions stated in your letter December 20 are correct. A loan of \$1,500 or less to finance purchase of home and appliances would be subject to Regulation W in so far as proceeds were to be used to purchase listed articles. However, if new money is added to existing mortgage by means of new loan for aggregate of new money and existing mortgage, new loan would be exempt even if part of proceeds

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"were used to purchase listed articles, assuming new loan is in excess of \$1,500. See S-490."

Approved unanimously.

Thereupon the meeting adjourned.

Ray Hammond  
Assistant Secretary.

Approved:

W. S. [Signature]  
Chairman.