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A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, February 13, 1946, at 10:30 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 February 12, 1946, were approved unanimously.

Memorandum dated February 8, 1946, from Mr. Paulger, Director of the Division of Examinations, recommending that Ellery W. Baker, a clerk in that Division, be granted an additional leave of absence without pay from February 16, 1946, through June 30, 1946, in order that he may continue his work with the offices of the Service of Supply of the French Mission.

Approved unanimously.

Letter to Mr. Treiber, Secretary of the Federal Reserve Bank of New York, reading as follows:

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"The Board of Governors approves the reappointments of Messrs. Arthur G. Nelson, Edward J. Noble, and William H. Pouch as members of the Industrial Advisory Committee for the Second Federal Reserve District to serve for terms of one year each beginning March 1, 1946, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of New York, as reported in your letter of February 7, 1946.

"It is noted from your letter that, in view of the small volume of applications for loans under Section 13b of the Federal Reserve Act, the directors consider it inadvisable at this time to seek additional members of the Committee to fill the two existing vacancies."

Approved unanimously.

Letter to Mr. Turman, Secretary pro tem of the Federal Reserve Bank of Atlanta, reading as follows:

"The Board of Governors approves the appointment of Mr. W. S. McLarin, Jr. as President, and of Mr. Malcolm H. Bryan as First Vice President of the Federal Reserve Bank of Atlanta, each for a term of five years beginning March 1, 1946, in accordance with the action taken by the Board of Directors as reported in your letter of February 9, 1946.

"The matter of appointments has been acted upon in advance of any consideration of salaries which has been deferred until the salaries of Presidents and First Vice Presidents of all of the Federal Reserve Banks can be reviewed at the same time. You will be advised later, therefore, regarding the action taken by the Board of Governors with respect to the salaries for the new terms as submitted by your Bank."

Approved unanimously.

Telegram to Mr. H. C. Meacham, Franklin, Tennessee, reading as follows:

"Board of Governors of the Federal Reserve System has appointed you director of Nashville Branch of Federal

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"Reserve Bank of Atlanta for unexpired portion of term ending December 31, 1948, and will be pleased to have your acceptance by collect telegram."

Approved unanimously.

Telegram to Mr. Woolley, Vice President and Cashier of the Federal Reserve Bank of Kansas City, reading as follows:

"Retel February 12, 1946. Board approves designation of John T. Boysen as special assistant examiner for the Federal Reserve Bank of Kansas City."

Approved unanimously.

Letter to Mr. Mangels, Secretary of the Board, Federal Reserve Bank of San Francisco, reading as follows:

"The Board of Governors approves the reappointments of Messrs. Henry D. Nichols, Shannon Crandall, Wakefield Baker, Edmund Hayes, and Walter A. Starr as members of the Industrial Advisory Committee for the Twelfth Federal Reserve District to serve for terms of one year each, beginning March 1, 1946, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of San Francisco, as reported in your letter of February 7, 1946."

Approved unanimously.

Letter to Mr. Fletcher, First Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"Reference is made to your letter of February 4, 1946, regarding the inquiry of the Cleveland Stock Exchange as to whether a member of that Exchange acting as a 'sponsor', under the Modified Sponsorship Plan of the Exchange, qualifies as a 'specialist' under Regulations T and U. The Cleveland Stock Exchange forwarded certain information

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"describing the activities of these 'sponsors' under the Plan.

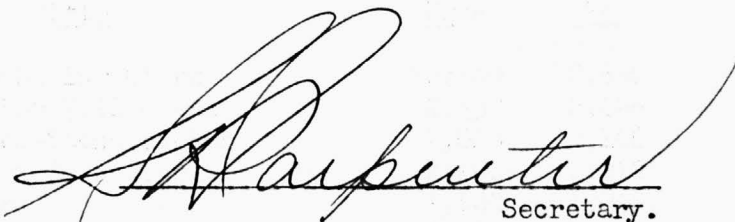
"From a careful study of the information submitted, it is evident that the activities of a 'sponsor' differ radically from those usually carried on by a 'specialist' on an exchange. In addition, the 'sponsor' appears to be subject to none of the responsibilities or supervision that apply to 'specialists.' The Board, therefore, is of the opinion that a sponsor under the Plan does not qualify as a 'specialist' under Regulations T and U."

Approved unanimously.

Memorandum dated February 7, 1946, from Mr. Paulger, Director of the Division of Examinations, submitting a voucher for reimbursement for travel expenses incurred by E. R. Millard, Examiner-in-Charge of the road force, while on official business. The memorandum stated that the voucher included several charges for telephone and telegraphic service in connection with hotel reservations which are not permitted under the standard travel regulations, but recommended that these charges, aggregating \$10.56, be allowed and paid since they were incurred in connection with hotel reservations for all of the force.

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.