A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, February 14, 1946, at 2:15 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. McKee
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 February 13, 1946, were approved unanimously.

Memorandum dated February 11, 1946, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the basic annual salary of each of the following employees in that Division be increased, as indicated below, effective as of the beginning of the next payroll period following approval by the Board:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Salary Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harry E. Kern</td>
<td>Purchasing Clerk</td>
<td>$2,540  $2,650</td>
</tr>
<tr>
<td>F. L. Watkins</td>
<td>Senior Mail Clerk</td>
<td>2,430  2,496</td>
</tr>
<tr>
<td>Helen Hulen</td>
<td>Clerk- Stenographer</td>
<td>2,040  2,166</td>
</tr>
<tr>
<td>Ethel W. Staley</td>
<td>Clerk- Stenographer</td>
<td>2,100  2,232</td>
</tr>
<tr>
<td>Rebekah Mull</td>
<td>Clerk</td>
<td>1,680  1,770</td>
</tr>
<tr>
<td>Gertrude Murphy</td>
<td>Clerk- Stenographer</td>
<td>1,740  1,836</td>
</tr>
<tr>
<td>Ruth I. Bowes</td>
<td>Page</td>
<td>1,620  1,704</td>
</tr>
<tr>
<td>Nellie G. Tobler</td>
<td>Elevator Operator</td>
<td>1,620  1,638</td>
</tr>
</tbody>
</table>

Approved unanimously, effective
February 24, 1946.

Memorandum dated February 8, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the appointment of Ernest J. Hopkins, an Economic Specialist in that Division, be extended for an additional period of not to exceed six months, effective when his present six-month appointment expires at the close of business February 15, 1946, and that his salary be increased from $6,020 to $6,440 per annum, effective at the beginning of his new appointment. The memorandum stated that it was assumed that Mr. Hopkins would continue to be excluded from the Federal Reserve Retirement System because of the nature of his appointment.

Approved unanimously.

Memorandum dated February 13, 1946, from Mr. Bethea, Director of the Division of Administrative Services, submitting the resignation of Herbert E. Becke, a chauffeur in that Division, and recommending that the resignation be accepted effective as of the close of business January 29, 1946.

The resignation was accepted as recommended.

Memorandum dated February 13, 1946, from Mr. Bethea, Director of the Division of Administrative Services, submitting the resignation of Mrs. Gloria Jenkins, a cafeteria helper in that Division, and recommending that the resignation be accepted effective as of the close
of business February 11, 1946, and that a lump sum payment be made for any accrued annual leave remaining to her credit at that time.

The resignation was accepted as recommended.

Letter to Mr. Peterson, Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

"In accordance with the request contained in your letter of February 8, 1946, the Board approves the appointments of Robert Frederich Schalk and Paul William Bell as assistant examiners for the Federal Reserve Bank of St. Louis. Please advise us as to the effective dates of appointments."

Approved unanimously.

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

"Reference is made to your letter of January 22, 1946, submitting the request of The Brooks Bank and Trust Company, Torrington, Connecticut, for approval of an additional investment of $110,000 in bank premises, and your further letter of February 5, 1946.

It is understood that the bank proposes to raze the buildings now carried as bank premises and to construct a new building on a portion of the land now occupied at a cost not to exceed $110,000 and that additional expenditures for furniture and fixtures are not expected to exceed from $10,000 to $15,000. The remainder of the land, consisting of a lot approximately 50' x 150' is to be leased to the G. C. Murphy Company under an agreement to erect a store building thereon costing from $130,000 to $150,000, to absorb all taxes and pay the bank $3,000 per annum rental for the land for a period of thirty years at the expiration of which the ownership of the building will vest in the bank. The present carrying value of banking house, furniture and fixtures is $102,868. In view of the fact that the actual cost of the new bank building is expected to be less than $110,000, and that of the additional furniture and fixtures less than $15,000, it
"appears that the aggregate of the bank's investment in land, building, furniture and fixtures will amount to approximately $225,000 when the transaction is completed. "In view of your recommendation and the information submitted, the Board of Governors approves the proposed additional investment in banking premises by The Brooks Bank and Trust Company provided the aggregate investment in land, buildings, furniture and fixtures does not exceed $225,000, and prior approval of the State Bank Commissioner is obtained, if required, for the proposed additional investment in furniture and fixtures. The latter condition is imposed because the State law to which you refer appears to apply to 'banking house or houses and equipment therein contained'. The approval of the Commissioner refers only to the erection of the banking house."

Approved unanimously.

Telegram to the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, and St. Louis, reading as follows:

"In connection with investigation of main office Consumers Home Equipment by Chicago Reserve Bank's Detroit Branch, checking of sales slips representing cash sales of listed articles having a time price in excess of $10 shows that majority of such sales were made at the alleged time price even though for cash. Forty-two cash sales of stainless steel tableware out of forty-eight checked had a cash sale price of $14.95 identical with the time price. Accordingly, it is suggested that in connection with the reinvestigation referred to in our wire of February 7, 1946 you make a check of cash sales slips (Consumers' Form 114-W) or other relevant matters to determine whether same pattern exists elsewhere, which may indicate that cash price-time price breakdown is a fiction."

Approved unanimously.

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

"Reply to your letter of January 22 regarding the Staff Group on Foreign Interests has been delayed until
"after a meeting held in New York, January 30, which would give an opportunity for consideration of the points you mentioned.

"With respect to representation of other Reserve Banks than New York, it seems to be the consensus that this matter is now in the hands of the Presidents' Conference. The group will welcome any practical arrangement for representation of the Federal Reserve Banks that may be worked out.

"With respect to the roster of System personnel, nothing has been done so far beyond the preliminary stage; but I do not think there was ever any thought other than that the roster should contain the names of qualified persons wherever they were in the System. There is now no new mission in prospect, however, and in the last four years there have been occasions for only five persons from the Board and two Reserve Banks to go on foreign advisory missions, excepting, of course, those whose services were specifically requested by the State Department, the Army, and other Government agencies. In any event, however, your suggestion will contribute to consideration of the subject when it comes up again."

Approved unanimously.

Letter to the Presidents of all the Federal Reserve Banks reading as follows:

"In order that we may bring our records on group and chain banking up to date as of December 31, 1945, it will be appreciated if you will kindly furnish the Board with the information outlined in the accompanying memorandum covering bank groups and chains operating in your District. The desired information may be incorporated by reference to the reports of holding company affiliates on Form F. R. 437 and accompanying exhibits, in lieu of being repeated in the reports herein requested, to the extent that those reports and exhibits cover bank groups.

"In order to facilitate our tabulation of the reports, it is suggested that the report relating to group banking be submitted as early as practicable, to be followed later by the report on chain banking. If desired, the lists of banks may be submitted in advance of the complete reports which are to show the degree and manner of control of the banks in the groups and chains."
"In addition to the reports covering groups and chains comprising three or more banks, it will be appreciated if you will furnish the Board with a supplementary report showing similar information covering affiliations which would fall within the scope of the requested reports on group and chain banking except for the fact that they comprise only two banks."

Approved unanimously.

Memorandum dated February 12, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, submitting a voucher for reimbursement for travel expenses incurred by Lewis N. Dembitz, an Economist in that Division, on an official trip to Boston, Massachusetts, February 4 to 7, 1946. The memorandum stated that the voucher needed special Board consideration because the less expensive Pullman accommodations that are allowed under the Board's travel regulations were not available and recommended approval of the voucher.

Approved unanimously.

Thereupon the meeting adjourned.