A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, March 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. Morrill, Special Adviser
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 March 12, 1946, were approved unanimously.

Memorandum dated March 11, 1946, from Mr. Vest, General Counsel, recommending that the basic annual salary of Mr. J. Leonard Townsend, Assistant General Counsel, be increased from $10,500 to $12,000 per annum, effective March 24, 1946.

Approved unanimously.

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

"The Board of Governors approves the changes in the personnel classification plan of the Memphis Branch, as submitted with your letter of March 6, 1946."

Approved unanimously.
Letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"As you know the arrangement under which the books and accounts of the Board of Governors were audited by auditors from your Bank for the calendar years 1943, 1944, and 1945 has terminated. Mr. Brock and his associates have very ably performed this work, but in line with the Board's policy of rotating the task among the auditors of several of the Reserve Banks the Board has requested the Federal Reserve Bank of New York to undertake the work for the calendar years 1946, 1947, and 1948. Mr. Ruml has indicated that the Federal Reserve Bank of New York will be glad to assume this responsibility and it is understood that Mr. W. H. Dillistin, General Auditor of that Bank, will communicate with Mr. Brock for the purpose of obtaining detailed information regarding the scope of the audit as made by him and the procedure followed heretofore. It will be appreciated, therefore, if you will forward to Mr. Dillistin the usual statements of the Board's account as of the close of December 31, 1945, and thereafter until further notice.

"The Board appreciates the splendid cooperation it has received from your Bank in the handling of this work and feels that Mr. Brock is to be commended for the painstaking and thorough manner in which he has made these audits, and for the fine spirit of cooperation he has displayed at all times."

Approved unanimously, together with the following letter to Mr. Ruml, Chairman of the Federal Reserve Bank of New York:

"The arrangement under which the books and accounts of the Board of Governors for the calendar years 1943, 1944, and 1945 were audited by auditors for the Federal Reserve Bank of Richmond, under the direction of Mr. R. S. Brock, Jr., has terminated. The auditors made one surprise audit and a year-end audit for each calendar year and recently completed an audit as of the close of December 31, 1945.

"The arrangement with the Richmond Reserve Bank contemplated that the Board would reimburse it for the salaries of the auditors, retirement contributions made by the Bank on their behalf for the periods they were absent from their official duties at the Reserve Bank and engaged in such audits, their actual necessary transportation expenses, and an
"allowance for each auditor not to exceed $8.00 per diem in lieu of subsistence.

"Mr. Brock and his associates have very ably performed this work, but in line with the Board's policy of rotating the task among the auditors of several of the Reserve Banks, the Board will be glad to have your auditors undertake the work on the above basis for the calendar years 1946, 1947 and 1948. It is understood informally that it will be entirely satisfactory to you to permit the auditors of the Federal Reserve Bank of New York to audit the Board's accounts for the period and on the basis indicated. However, it will be appreciated if you will confirm this understanding.

"In this connection it is suggested that your auditor communicate directly with Mr. Brock for the purpose of obtaining detailed information regarding the scope of the audit as made by him and the procedure followed heretofore. The Board is today requesting the Federal Reserve Bank of Richmond to send Mr. Dillistin the usual statements of the Board's account as of the close of December 31, 1945, and thereafter until further notice."

Letter to the board of directors of the "Hicksville Bank", Hicksville, Ohio, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Cleveland.

Approved unanimously, together with the following letter to Mr. Gidney, President of the Federal Reserve Bank of Cleveland:

"The Board of Governors of the Federal Reserve System approves the application of The Hicksville Bank, Hicksville, Ohio, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Superintendent of Banks for the State of Ohio for his information."
"It has been noted that the estimated losses shown in the report of examination for membership have been eliminated except for a small expense item which is to be charged off at the end of the accounting period. Therefore, the usual condition of membership requiring elimination of losses has not been prescribed.

"It is assumed that you will follow the matter of the bank's bringing into conformity with the provisions of law and the Board's regulations the savings account shown on page 16 of the report of examination for membership."

Letter to the "State Central Savings Bank," Keokuk, Iowa, reading as follows:

"The Board of Governors of the Federal Reserve System has considered the application for permission to exercise fiduciary powers made by you on behalf of the State Central National Bank of Keokuk, Keokuk, Iowa, the national bank into which the State Central Savings Bank, Keokuk, Iowa, is to be converted, and grants such national bank authority, effective if and when it is authorized by the Comptroller of the Currency to commence business, to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Iowa, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"After the conversion of the State Central Savings Bank, Keokuk, Iowa, into the State Central National Bank of Keokuk becomes effective and the Comptroller of the Currency authorizes the national bank to commence business, you are requested to have the board of directors of the national bank adopt a resolution ratifying your application for permission to exercise fiduciary powers, and a certified copy of the resolution so adopted should be forwarded to the Federal Reserve Bank of Chicago for transmittal to the Board for its records. When a copy of such resolution has been received by the Board, a formal certificate covering the national bank's authority to exercise trust powers will be forwarded."

Approved unanimously.
Letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"We acknowledge with thanks Mr. Gentry's letter of March 8 reporting on Mr. Benitez's recent sojourn with you and also the receipt of your telegram of March 6 informing us how we could reach Mr. Benitez, then enroute from Dallas to New York. We telegraphed him on the basis of the information you furnished, he came on to Washington the next day from New York and that night took the official train to Wilmington Island, where he is now participating in the conference on the International Fund and Bank.

"We had no opportunity ourselves to see Mr. Benitez on his way through Washington, but it is evident from Mr. Gentry's letter that you made Mr. Benitez's stay with you a profitable and interesting one. He and his Bank should feel much indebted to you. The Board, on its part, very greatly appreciates what you did."

Approved unanimously.

Thereupon the meeting adjourned.

[Signature]
Secretary.

[Signature]
Chairman.