A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, March 18, 1946, at 9:35 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 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 15, 1946, were approved unanimously.

Memorandum dated March 12, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Mrs. Louise Larson Clark be reappointed as a clerk in that Division on a temporary basis for a period not to exceed six months, with salary at the rate of $2,100 per annum, effective when she enters upon the performance of her duties after having passed the usual physical examination. The memorandum stated that it was assumed Mrs. Clark would be excluded from membership in the Federal Reserve Retirement System in view of the temporary nature of her appointment.

Approved unanimously.
Memorandum dated March 18, 1946, from Mr. Johnson, Personnel Officer, submitting the resignation of Mrs. Jane Roark, clerk-typist in the Division of Personnel Administration, and recommending that the resignation be accepted as of the close of business March 22, 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. Warren F. Whittier, Deputy Chairman of the Federal Reserve Bank of Philadelphia, reading as follows:

"This is in reply to your letter of March 1 with its request that the Board approve a salary of $30,000 per annum for President Williams. Governor Szymczak has also reported to the Board regarding his discussions with you and the other members of the committee regarding salary matters.

"The Board is pleased to learn from your letter of the high regard in which Mr. Williams is held by the directors and of the contributions he has made to the work of the Bank and the part he is playing in the District.

"Subsequent to your meeting with Governor Szymczak, the Board reconsidered the over-all question of salaries of Presidents and First Vice Presidents of the Federal Reserve Banks and, as a System matter, has decided to make no change in the maximum salary of $25,000 which has been established for the position of President for all Federal Reserve Banks except the Federal Reserve Banks of New York and Chicago.

"In the circumstances, the Board does not feel justified in approving a salary of $30,000 for Mr. Williams as proposed. The Board, however, does approve payment of salary to Mr. Williams as President of the Federal Reserve Bank of Philadelphia at the rate of $25,000 per annum for the period March 1, 1946, to April 30, 1947, inclusive, if the salary is fixed at that rate by the directors.

"In considering salaries for Presidents and First Vice Presidents of the Federal Reserve Banks the question of liberalizing pensions for the higher paid officers which
"are now subject to limitations not affecting lower paid personnel was raised. The Chairmen and Presidents of the Reserve Banks have been advised that the Board has been impressed with the desirability of reviewing retirement allowances as part of the general question of compensation, is giving the matter serious consideration, and will communicate with them at a later date regarding developments."

Approved unanimously.

Letter to Mr. L. G. Meyer, Assistant Vice President of the Federal Reserve Bank of Chicago, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of the Detroit Branch, involving the Cafeteria Department, as submitted with Mr. Garvy's letter of February 7, 1946, and as amended by your letter of March 12, 1946."

Approved unanimously.

Letter to the board of directors of "The Kansas State Bank", Newton, Kansas, 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 Kansas City.

Approved unanimously for transmission through the Federal Reserve Bank of Kansas City.

Letter to Commercial State Bank of El Campo, El Campo, Texas, reading as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to membership in the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership."
"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

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

"Retel. In view your recommendation Board will interpose no objection to investment of approximately $75,000 by The Fidelity Trust Company, Baltimore, Maryland, in premises for occupancy of its Eastern Avenue Branch, provided approval of appropriate State authorities is obtained."

Approved unanimously.

Letter prepared for the signature of Chairman Eccles to Dr. Manuel Noriega Morales, Minister of National Economy and Labor, Guatemala, C. A., reading as follows:

"We are gratified by the kind expressions in your letter of March 4 regarding the recent visit of Messrs. Robert Triffin and David Grove to your country. We were happy to make their services available, and we are greatly pleased to hear that their advice was helpful. Their sojourn in Guatemala has been valuable to us also since it brings us the benefit of greater knowledge and understanding of your country's monetary and banking policies and institutions. We anticipate success for your monetary projects and the continuance of our happy and mutually helpful relations."

Approved unanimously.

Thereupon the meeting adjourned.

Approved:

Chairman.

Secretary.