

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, March 20, 1946, at 9:30 a.m.

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

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 19, 1946, were approved unanimously.

Memorandum dated March 15, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Frederick C. Dirks, an economist in that Division, effective as of the close of business March 18, 1946, and recommending that the resignation be accepted as of that date, and that appropriate payment be made for his accumulated and accrued annual leave at that time.

The resignation was accepted as recommended.

Memorandum dated March 15, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the budgets for the statistical and analytical function, including library services,

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at all of the Federal Reserve Banks for the year 1946, and recommending that the Board approve the proposed budgets in the following amounts:

<u>Federal Reserve Bank</u>	<u>Budget</u>
Boston	\$ 63,100
New York	312,900
Philadelphia	111,900
Cleveland	87,800
Richmond	66,800
Atlanta	54,800
Chicago	192,000
St. Louis	74,800
Minneapolis	56,900
Kansas City	83,000
Dallas	111,200
San Francisco	90,000

Chairman Eccles having raised a question with respect to the proposed budget of the Federal Reserve Bank of New York, it was agreed unanimously that action on the budget for that Bank should be deferred pending the submission of additional information by Mr. Thomas.

The proposed budgets for the other 11 Federal Reserve Banks were approved unanimously.

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

"In order to supplement the information previously requested, it will be appreciated if you will furnish the Board with information with respect to non-bank organizations affiliated or closely associated with any bank included in the reports on group and chain banking, and on 2-bank affiliations, submitted in response to the Board's letter of February 14, 1946. An outline of the desired information is attached. The compilation should be based

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"on such records and reports as are already available at the Federal Reserve Banks, such as reports of examination, affiliate reports, and registration statements filed under the provisions of Regulation W.

"It is not contemplated that similar reports will be called for regularly."

Approved unanimously.

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

"We believe you will find that the Board's letter (S. 903) of March 14, 1946, answers your letter of March 2, 1946 regarding Regulation U.

"The inquiry forwarded with your letter states that in a similar case it was understood that the seller of the notes had guaranteed their repayment and had also agreed to make an additional payment of interest. The inquiry asks whether these provisions are essential to the purchase being permitted under the Regulation. As indicated in S. 903, the existence of such a guarantee or agreement for additional interest payment is not necessary in order for the purchase to qualify under the Regulation."

Approved unanimously.

Telegram to Mr. Clerk, President of the Federal Reserve Bank of San Francisco, reading as follows:

"Re your inquiry to Mr. Sproul regarding Mr. Reis of Brazil telephoned from New York, we have participated in training program of the International Training Administration, formerly a unit of the Office of Coordinator of Inter-American Affairs, and now a nonprofit corporation cooperating with Government agencies and private business. Uruguayan bankers who visited you in 1943 were sponsored by it. Training Administration informs me Mr. Reis has been at Seattle First National the past year and has asked to work at your Bank. Paying a living allowance is exceptional for central bank employees, but Board is now doing it in case of a Paraguayan, and if you would

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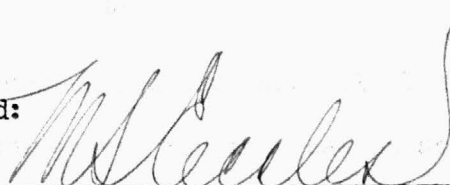
"wish to do so in the case of Mr. Reis, who, though employee of Banco do Brasil, is here on personal scholarship and not as representative of Banco, the Board would interpose no objection."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.