A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, March 21, 1946, at 10:30 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 20, 1946, were approved unanimously.

Memorandum dated March 21, 1946, from Mr. Morrill, Special Adviser, recommending for the reasons stated therein that Mrs. Yvonne D. Shaw, his secretary, be granted additional leave without pay for a period of not to exceed three months from the date of the expiration of the period previously granted.

Approved unanimously.

Memorandum dated March 21, 1946, from Mr. Bethea, Director of the Division of Administrative Services, recommending for the reasons stated therein that Miss Lauretta Brown, cafeteria helper in that Division, be separated from service effective March 21, 1946.

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

"In your letter of March 12, 1946, concerning the lease of 10,000 square feet of space in the building at 18 Oliver Street beginning May 1, 1946, you state it is contemplated that work on the demolition of the Converse Annex Building will be commenced as soon as the building wreckers of the Converse Building find it feasible to do so. It is assumed from this statement that construction of the addition to your bank building, the expenditure for which was approved in the Board's letter of February 26, 1945, is contemplated in the relatively near future.

"In its letter of September 14, 1945 (S-871), the Board stated the view that except in case of urgent need no building project not under way should be undertaken until it is clear that labor and materials are readily available and the timing of the construction will be in harmony with the transition and postwar building program. Since it is the view of the Board that economic conditions will not justify authorizing any construction project by the Reserve Banks, unless there is an emergency need, for some time, it will be appreciated if you will advise the Board why the Bank should not continue to use the annex for another two or three years or until the likelihood of commencing building operations is more promising."

Approved unanimously.

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

"In accordance with the request contained in your letter of March 16, 1946, the Board approves the appointment of Arthur John Gneuhs as an assistant examiner for the Federal Reserve Bank of Cleveland. Please advise us of the date upon which the appointment is made effective and also as to salary rate."

Approved unanimously.

Letter to Mr. Hollocher, Assistant Vice President of the Federal Reserve Bank of St. Louis, reading as follows:
"This refers to your letter of March 13 regarding the provisions of paragraph D of the 'Rules for Uniform Application by Federal Reserve Banks in Waiving Penalties for Deficiencies in Reserves of Member Banks', enclosed with the Board's letter S-902 of March 5, 1946.

The provisions of paragraph D apply to any deficiency in reserves (other than one covered by paragraphs A, B, or C) which does not exceed 2 per cent of the member bank's required reserves during the reserve computation period, provided such deficiency does not occur more than once within any two-year period. A Federal Reserve Bank may, in its discretion, waive the penalty for the first such deficiency at any time after the reserve computation period in which the bank became a member of the Federal Reserve System. Thereafter, the penalty for such a deficiency could not be waived more than once during any period of two years."

Approved unanimously.

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

"In view of the recommendation contained in your letter of March 18, 1946, the Board of Governors extends to May 15, 1946, the time within which the Citizens State Bank, Broken Bow, Oklahoma, may accomplish membership."

Approved unanimously.

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

"This letter is written in accordance with the understanding at the last meeting of the Board and the Presidents that a letter would be addressed to the Presidents with respect to the new edition of the Federal Reserve Act which has been authorized by the Board of Governors. The new edition will embody all amendments to the Act, including those made during the present session of Congress, and an appendix containing various provisions of certain Acts of Congress which affect, directly or indirectly, the operations of the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, and banks which are members of the Federal Reserve System."
"There is some question about the availability of binding materials, but if that problem is solved it is the plan to have copies of the new edition available for distribution as promptly as possible after the present Session of Congress adjourns. Copies of the Act will be bound with both paper and buckram covers and, in addition, there will be available, for the official use of the Federal Reserve Banks and the Board, a very limited number of unbound copies suitable for a loose-leaf binder. Such copies will be kept current in a manner similar to that followed in connection with the loose-leaf service.

"It will be an aid to the Board in obtaining bids for the new edition if you will advise as promptly as convenient the number of copies of the paper bound, buckram bound, and unbound copies which will be required by your Bank. In computing this number, please include copies for State banking authorities, Chief National Bank Examiners, and banks which may become members of the System from time to time. It is expected that one copy of the revised edition will be sent to each of the existing member banks so that it will not be necessary for you to include copies for this purpose in the number of copies that your Bank will need."

Approved unanimously.

Letter to Honorable Preston Delano, Comptroller of the Currency, reading as follows:

"As part of a program for the destruction of old and obsolete records, the Board some years ago decided to make a microfilm record of its copies of June and December condition reports and earnings and dividends reports of State member banks, so that they might be available in this form after the reports themselves had been destroyed in accordance with the Board's 10-year destruction schedule. The microfilming of these reports has been completed for the period 1927-1943, and arrangements have been made for microfilming corresponding reports for each subsequent year as they are transferred to the Files Section.

"When this program was adopted, the Board no longer had on hand any reports before 1927 and accordingly requested the Federal Reserve Banks to retain certain of their copies of these reports beginning with 1915. At the same time they were requested to withhold from destruction copies of corresponding reports of national banks. Of these reports of State
"member banks and national banks, the Board expects to ask the Reserve Banks to forward the following to the Board for microfilming:

<table>
<thead>
<tr>
<th>Form No.</th>
<th>Reports to be forwarded to Board for microfilming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form F.R. 107</td>
<td>1916, 1921, 1926</td>
</tr>
<tr>
<td>Treas. 2129</td>
<td>1916, 1921, 1926, 1929, 1931</td>
</tr>
<tr>
<td>Form F.R. 105</td>
<td>June 1916; June 1921; December 1926</td>
</tr>
<tr>
<td>Treas. 2130</td>
<td>June 1916; June 1921; December 1926, 1929, 1931</td>
</tr>
</tbody>
</table>

"Under a program adopted by the Federal Reserve Banks subject to the approval of the Board, all other reports of condition and of earnings and dividends of both State member banks and national banks filed with the Reserve Banks, including any still on hand for the period beginning with 1915 and corresponding reports received from member banks in the future, would be retained for a period of five years and then be destroyed in the discretion of the respective Federal Reserve Banks. The Board contemplates approving this program, but if agreeable to you it would like first to arrange to prepare and maintain a microfilm record of available national bank condition reports and earnings and dividends reports filed with your office, before they are destroyed in accordance with your 10-year destruction schedule. This record would, of course, be available to your office at any time upon request. The reports desired for microfilming are the December call reports beginning with the year 1933, the June and December earnings and dividends reports for the years 1933-1940, and the December earnings and dividends reports beginning with the year 1941, the first year in which calendar-year figures are shown in such reports.

"The Board will appreciate it if you will authorize your Statistical Division to make the above-mentioned and subsequent reports available to it for microfilming at the mutual convenience of your Division and the Board's Files Section."

Approved unanimously.

Thereupon the meeting adjourned.

Chairman.

Approved:

Secretary.