

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, April 12, 1946, at 10:30 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. Draper
Mr. Evans
Mr. Vardaman

Mr. Carpenter, Secretary
Mr. Hammond, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Chairman
Mr. Vest, General Counsel
Mr. Thomas, Director of the Division of Research and Statistics
Mr. Leonard, Director of the Division of Personnel Administration
Mr. Townsend, Assistant General Counsel
Mr. Johnson, Personnel Officer, Division of Personnel Administration

There were presented telegrams to Messrs. Whittemore, Leach, and McLarin, Presidents of the Federal Reserve Banks of Boston, Richmond, and Atlanta, respectively, Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, Mr. Stewart, Vice President and Secretary of the Federal Reserve Bank of St. Louis, Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Mangels, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Bank of Chicago on April 8, by the Federal Reserve Bank of San Francisco on April

4/12/46

-2-

9, by the Federal Reserve Bank of Atlanta on April 10, by the Federal Reserve Banks of Richmond, Chicago, St. Louis, Minneapolis, and Dallas on April 11, 1946, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

There was also presented a telegram to Mr. Mehornay, Deputy Chairman of the Federal Reserve Bank of Kansas City, stating that the Board approves, effective April 13, 1946, (1) the elimination by the Bank of the rate of one per cent on advances to nonmember banks under last paragraph of Section 13 of the Federal Reserve Act, with the understanding that the rate of two per cent established by the Bank effective October 27, 1942, on advances to individuals, partnerships, and corporations other than banks under last paragraph of Section 13 will hereafter include nonmember banks and (2) the establishment without change of the other rates of discount and purchase in the Bank's existing schedule.

Approved unanimously.

In connection with the above matter, Chairman Eccles stated that Mr. Sproul, Vice Chairman of the executive committee of the Federal Open Market Committee, and Messrs. Morrill and Thomas of the Board's staff, had prepared drafts of a reply to

4/12/46 -3-

the letter received from Secretary of the Treasury Vinson under date of March 28, 1946, regarding the elimination of the preferential discount rate and that on the basis of these drafts a revised draft had been prepared and was now on his (Chairman Eccles) desk for consideration. He also said that he had promised Mr. Sproul that before a reply was sent, copies would be mailed to him and Mr. Leach as members of the executive committee of the Federal Open Market Committee for any comments or suggestions that they might have to make, as it was felt that, in view of the commitment that would be made in the letter to take whatever action was necessary in the open market to maintain the 7/8 per cent rate on certificates in the event the preferential rate was eliminated, the members of the executive committee of the Federal Open Market Committee should be consulted and, if possible, their approval obtained of the reply finally sent to Secretary Vinson by the Board. It was the consensus of the members of the Board that the reply should be sent to Mr. Vinson as promptly as possible.

In accordance with the decision reached at the meeting of the Board on April 9, 1946, each member of the Board had been furnished a copy of the draft of statement regarding questions referred to at that meeting affecting the Negro employees of the Board. The statement was read and it was suggested that it be

4/12/46

-4-

changed to read as follows:

"1. It has been, and is, the established policy of the Board that appointments to the Board's staff be made solely on the basis of merit and only of the best qualified applicants available, with due allowance for veterans' preference. It has also been, and is, the established policy of the Board to favor promotions from within. These policies are consistent with the principle that there shall be no discrimination because of race, sex, or color.

"2. All cafeteria facilities shall be open to all employees without discrimination. For the time being, at least, the smaller as well as the larger cafeteria will be kept open.

"3. No distinction shall be made between negro and white employees as to the use of washrooms."

During the discussion it was stated that, if at a later time the Board should decide to return to the policy followed before the war with respect to the employment of married women, adoption of the statement in the form proposed would not be regarded as being contrary to such action.

Mr. Thomas suggested that the Board consider the elimination of the rule now in effect that the use of the private staff dining room be confined exclusively to men. His suggestion was discussed but no action was taken.

At the conclusion of the discussion upon motion by Mr. Szymczak, the statement as set forth above was approved unanimously.

Mr. Szymczak stated that it was the suggestion of the Personnel Committee that the Committee meet this afternoon with

4/12/46

-5-

the heads of the various divisions of the Board's staff to give them the benefit of the background for the Board's action in adopting the above statement and to discuss the steps to be taken to advise the employees of the action, after which Mr. Leonard would meet with the Committee of Employees and advise them of the action and later in the day he would meet with Norris as the personnel representative of the Negro employees, and possibly all of the Negro employees who were available, to inform them of the action that had been taken by the Board.

This procedure was approved
by all of the members of the Board.

Reference was again made to whether a reply should be made to the letter received by the Board under date of January 23, 1946, from Leslie S. Perry, Administrative Assistant of the National Association for the Advancement of Colored People and it was agreed that Chairman Eccles should reply to the effect that a letter had also been received from the Negro employees of the Board and that the questions raised had been settled in a satisfactory manner.

At this point Messrs. Leonard and Johnson left the meeting.

With a memorandum dated April 11, 1946, Chairman Eccles sent to each member of the Board a suggested revision of the

4/12/46

-6-

assignments of subjects within the field of the Board's responsibilities for initial consideration by the individual members of the Board. The memorandum suggested that the members review the revision with the thought that unless some change or modification was desired it could be approved at this meeting of the Board. There were also attached to the memorandum copies of the rules now in effect governing (1) the operations of the private dining rooms and (2) the use of the Board's cars and station wagon.

In the discussion of the proposed assignments it was agreed (1) that, if at any time a member of the Board felt that either the wording or the scope of the subjects assigned to him for initial consideration was unsatisfactory, he was at liberty to make such suggestions as he might wish to the Chairman of the Board as to changes, and (2) that any member of the Board was entirely at liberty to request that any matter in circulation for approval by the members of the Board be placed on the docket for discussion at a meeting.

Upon motion by Mr. Szymczak, the proposed assignments of subjects and the rules relating to the operation of the dining rooms and the Board's cars were approved unanimously, as follows:

4/12/46

-7-

"Assignments of Subjects for Initial Consideration
by Individual Members of the Board of Governors

"Chairman Eccles

"1. Economic and monetary policy matters (open market operations, discount rates, reserve requirements, interest rates, Government finance, international monetary questions).

"2. Policies involved in the initiation and adoption of legislation and executive orders affecting the System.

"3. Public relations of Board of Governors.

(Chairman Eccles is chairman of the Open Market Committee and of its Executive Committee. He also serves as a member of the Economic Stabilization Board which acts in an advisory capacity to the Stabilization Director. In addition, he is designated by statute as a member of the National Advisory Council on International Monetary and Financial Problems and as a member of the Advisory Board to the Export-Import Bank.)

"Vice Chairman Ransom

"1. As the Vice Chairman is charged with the responsibility of acting as Chairman in the absence of the latter, he shares with the Chairman the consideration of matters specifically assigned to the latter, in such manner as they may decide from time to time.

"2. Reports on legislation and other legislative matters not handled by the Chairman.

"3. Regulation of consumer credit. (Alternate, Mr. Evans)

"Mr. Szymczak

"(Alternate, Mr. Vardaman, except as to last item listed below.)

"1. Services and expenditures of Reserve Banks and reimbursements therefor; examinations of Reserve Banks; reserves for losses; charge-offs and dividends; Reserve Bank stock.

"2. Establishment, regulation and discontinuance of branches and agencies of Reserve Banks; determination of district and branch territorial limits.

"3. Clearance and collection systems; currency

4/12/46

-8-

"matters; inter-district settlement funds.

"4. Outside business and other relations of directors, officers and employees of Reserve Banks; removal of directors, officers and employees of Reserve Banks.

"5. Institutions engaged in international and foreign banking subject to sections 25 and 25A of the Federal Reserve Act; foreign branches of domestic banks.

"6. Relations of Reserve Banks with foreign banks, bankers, and governments; staff missions of Reserve Banks and Board to foreign countries. (Alternate, Mr. Evans).

"(Mr. Szymczak is one of the Trustees of the Retirement System, elected by the Board as its representative.)

"Mr. Draper

"(Alternate, Mr. Evans)

"1. Discounts and advances of Reserve Banks; purchases by Reserve Banks of securities and bills other than through System open market account; questions of eligibility of paper for discount or as security for advances.

"2. Loans and investments of member banks, including acceptances; relations regarding these matters with Comptroller of the Currency, Securities and Exchange Commission, and other Government agencies.

"3. Extension and maintenance of credit by brokers, dealers, banks and others for purchasing or carrying securities.

"4. Lending activities of Government agencies (other than those in the agricultural field).

"5. Federal Reserve activities relating to war loans under Executive Order 9112, the Contract Settlement Act of 1944, and loans under Section 13b of the Federal Reserve Act.

"6. Building operation and maintenance.

"Mr. Evans

"(Alternate, Mr. Draper, except as to last item listed below.)

"1. Agricultural conditions, including prices, production, exports and imports; and relations concerning

4/12/46

-9-

"these subjects with Department of Agriculture, Farm Credit Administration and other agencies; lending activities of Government agencies in the agricultural field.

"2. Publications of the Federal Reserve System; call reports of condition and other periodical reports of member banks.

"3. Coordination and development of relations of Federal Reserve Banks with member banks, nonmember banks, banking associations, educational institutions, and the general public.

"4. Voluntary pay roll deduction plans for Government bonds.

"5. Research programs of Federal Reserve Banks and Board of Governors. (Alternate, Mr. Szymczak.)

" Mr. Vardaman

"(Alternate, Mr. Szymczak)

"1. Admissions to, conditions of, and termination of membership of State banks; trust powers for member banks.

"2. Supervision and examination of State member banks, domestic branches, mergers, consolidations, adjustment of capital structure, maintenance of required reserves, etc., of member banks; relations regarding these matters with Federal Deposit Insurance Corporation, Reconstruction Finance Corporation, and Comptroller of the Currency.

"3. Relations with holding company and other affiliates; examinations of affiliates; issuance and revocation of voting permits of holding company affiliates.

"4. Interlocking relations of directors, officers and employees of member banks serving other banks and security dealers; loans to executive officers of member banks; removal of directors, officers and employees of member banks; disposition of criminal charges.

" Personnel Committee

"1. Appointments of Class 'C' directors of Reserve Banks and the directors of branches who are appointed by the Board.

"2. Designations of Chairmen and Federal Reserve

4/12/46

-10-

"Agents and appointments of Deputy Chairmen of Federal Reserve Banks.

"3. Approvals of appointments of officers and employees of the Reserve Banks requiring action by the Board. When an appointment is in the examination or research department of a Reserve Bank, it is understood that the recommendation to the Board will be made in collaboration with Mr. Vardaman or Mr. Evans, respectively.

"4. Reserve Bank salaries and classification plans; retirement system; executive development plan.

"5. Questions relating to election and qualifications of Class A and Class B directors of Reserve Banks, including classification of member banks.

"6. Board's budgets and expenditures."

"Rules Governing Operations of the Private Dining Rooms

"The private dining room area is to be used only by the Board members, heads and assistant heads of Divisions, certain members of the Board's staff to whom invitations have been issued by the Board, and such guests as they may bring with them.

"The use of the Brown Room is confined exclusively to Board Members and guests accompanying them. The use of the Blue Room is confined to Board Members and their guests, and reservations for the exclusive use of the Blue Room by a Board Member may be obtained by communicating with the Supervisor of the Cafeteria. The larger room, known as the Staff Dining Room, is to be used primarily by staff members and others who hold invitations, and the use of this room is confined exclusively to men. However, a Board Member may, of course, reserve a table in this room should he desire to do so.

"Dining room checks will be presented by the waitress at the time of service and should be signed by the Board or staff member both for himself and for any guest accompanying him. A bill will be rendered each month. A surcharge of 15¢ for service is made for each person served. There is no tipping. The hours of service are from 1 to 2 p.m.

"The following is a list of persons whose luncheon checks may be charged to the Board:

"1. Directors, officers and employees of the Federal Reserve Banks and their Branches; and the members and Secretary of the Federal Advisory Council. In these cases the checks may be signed by the individual served;

4/12/46

-11-

"or they may be signed by any member of the Board or of the senior staff and charged to the Board if the notation "Official Guest" is placed upon the check.

"2. Cabinet officers and the Under Secretaries and Assistant Secretaries of all Executive Departments; the Directors of the Federal Deposit Insurance Corporation; the Comptroller and the Deputy Comptroller of the Currency; the Administrator or members of the Board in charge of any independent Federal Agency; and the Directors of any Government-owned corporation. In these cases the check may be charged to the Board when it is signed by a member of the Board or a member of the senior staff and the notation "Official Guest" is placed upon the check.

"3. Any member of the Board may charge to the Board's account the luncheon check of any other official guest of such member by placing on it the notation "Official Guest" and signing the check."

"Rules Governing the Use of the Board's Passenger
Cars and Station Wagon

"The Board has three passenger cars and one station wagon for use on official business. The operation of these vehicles is under supervision of the Captain of the Guard and requests for transportation and pick-up and delivery service should be made to the East Guard Room (telephone 463).

"The Chrysler Imperial (town sedan) is reserved exclusively for the use of Board Members on official business of the Board. The other two passenger cars are available for use of the Members of the Board and members of the staff on official business.

"In order to consolidate trips and arrange for transportation in such a way as to assure the maximum use of the vehicles a regular schedule of eight hourly trips each day has been established (9:45 a.m. to 4:45 p.m., inclusive), and the staff has been requested to arrange their trips in the passenger cars on this schedule, in so far as possible.

"Requests for transportation should be made by an authorized person to the senior guard in the East Guard Room as early as possible, in order that proper arrangements can be made for transportation on one of these scheduled trips. The trips will not be held up for passengers who are late, and the senior guard should be notified promptly of cancella-

4/12/46

-12-

tions. Requests for transportation should specify the destination and also information as to whether it will be necessary for the car to wait for the return trip. Cars can not be held up unduly for a return trip inasmuch as it is necessary for the chauffeurs to return to the building promptly in order to take care of subsequent trips.

"One or more chauffeurs are on duty between the hours from 8 a.m. to 6 p.m., and trips should be completed during this period in order to avoid payment of overtime. The chauffeurs are required to keep a record of the trips made in the passenger cars, the names of passengers carried, and the mileage involved in each trip.

"The station wagon is used for pick-up and delivery service and makes seven hourly trips each day on a regular schedule (9:15 a.m. to 4:15 p.m., inclusive). Requests for pick-up and delivery service must be sent to the East Guard Room on the proper form. Passengers may ride in the station wagon on the regular scheduled trips.

"The Independent Offices Appropriation Act, 1945, which was approved by the President on June 27, 1944, contains the following provision: 'Any officer or employee of the Government who uses or authorizes the use of any Government-owned motor-propelled passenger-carrying vehicle, or of any motor-propelled passenger-carrying vehicle leased by the Government, for other than official purposes or otherwise violates the provisions of this subsection shall be summarily removed from office.' The term 'official purposes' shall not include the transportation of officers and employees between their domiciles and places of employment****' except in the case of medical officers and officers engaged in field work. Likewise, the above limitations do not apply to any motor vehicles for official use of the President, heads of the executive departments, Ambassadors, Ministers, charges d'affaires, and other principal diplomatic and consular officials."

Mr. Thomas left the room at this point and Mr. Parry, Director of the Division of Security Loans, joined the meeting.

At Mr. Ransom's request, Mr. Townsend stated that it appeared from the investigation of the books and records of the Consumers Home Equipment Company of Detroit and its subsidiary corporations, made in response to the Board's telegrams of

4/12/46

-13-

February 7, 1946, to the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Chicago and St. Louis, that the companies were continuing to violate Regulation W at several of their offices; that it was apparent that further action should be taken against the companies because of these violations, and that it was proposed to place a copy of the files in connection with the investigation in the hands of the United States Attorney at Detroit with the understanding that he would petition the court which issued the decree enjoining the Consumers Home Equipment Company from further violations of the regulation for a rule to show cause why it should not be adjudged in contempt of court because of the violations.

It was contemplated, Mr. Townsend said, that an affidavit alleging the violations complained of, which would be filed in support of the petition, would be signed by Mr. Parry, as director of the division of the Board's staff which has charge of the regulation of consumer credit.

Mr. Ransom moved that Mr. Parry be authorized to sign the affidavit in that manner.

Mr. Ransom's motion was put by the Chair and carried unanimously.

Mr. Townsend made the further statement that it was also proposed to send a letter to the United States Attorney reading as follows and that representatives of the Board and the Federal

4/12/46

-14-

Reserve Banks involved would give all of the assistance necessary in connection with the service of the subpoenas and otherwise, so that the necessary witnesses would be available to the court with respect to the proceeding:

"Pursuant to the arrangement made with your office, by Mr. J. Leonard Townsend, Assistant General Counsel of the Board, on Thursday of last week, there is forwarded to you herewith a set of the investigation files of the Board in connection with the instalment sales activities of the Consumers Home Equipment Co. and its subsidiary, U. S. Home Outfitting Corp., since the entry of the consent decree of injunction in the above-entitled matter. As explained to you by Mr. Townsend, these files disclose numerous violations of such decree.

"There are also enclosed suggested drafts of a petition for a rule to show cause why Consumers Home Equipment Co. and A. B. Chereton should not be adjudged in criminal contempt for these violations, and of the rule itself. The affidavit of Dr. Carl E. Parry in support of the petition is also enclosed.

"It is requested that, when the Board's investigation files have served the purposes of your office in the contempt proceedings, they be returned to the Board.

"Permit me on behalf of the Board to express its appreciation of the splendid cooperation which it has received from your office."

These arrangements, Mr. Townsend added, had been worked out with the representatives of the Federal Reserve Banks involved and the United States Attorney at Detroit, and that the only further action needed to permit it to be carried into effect was the approval of the Board.

Upon motion by Mr. Ransom, the procedure outlined by Mr. Townsend, including the letter referred to above, was approved unanimously.

4/12/46

-15-

At this point Messrs. Vest, Parry and Townsend withdrew from the meeting.

The action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on April 11, 1946, were approved unanimously.

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

"Receipt is acknowledged of your letter of April 8, 1946, advising that the directors had authorized the Bank to assume two-thirds of the cost of providing hospital care and surgical benefits for officers and employees of the Reserve Bank and their dependents under the Blue Cross and the Blue Shield programs at an estimated annual cost to the Bank of approximately \$26,000, based on present personnel and assuming 100 per cent enrollment.

"The Board approves the expenditure under the programs as submitted."

Approved unanimously.

Letter to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"This refers to Mr. Turman's letter of April 4, 1946, enclosing a copy of a proposed agreement between the Commerce Union Bank, Nashville, Tennessee, and the Prudential Insurance Company of America, under the terms of which the bank will make farm mortgage loans and within a period of two years thereafter sell such loans without recourse to the insurance company.

"In view of the standard condition of membership No. 3 which prohibits a State member bank from engaging, as a business, in selling mortgages, Mr. Turman

4/12/46

-16-

"has asked that the Board pass on the question whether the proposed agreement would violate the purpose of such condition of membership.

"In prescribing this condition of membership, the Board had in mind particularly sales of mortgages to the general public who are not in a position to evaluate real estate loans and might consider the bank at least morally obligated to make good any loss sustained, whereas the insurance company is qualified to appraise the real estate loans and would not expect the bank to act as guarantor of the soundness of the investment. In the circumstances, the Board will not object to the Commerce Union Bank's entering into the proposed agreement with the Prudential Insurance Company of America, as transactions under such agreement would not violate the purpose of the condition."

Approved unanimously.

Letter to Mr. Bailey, Assistant Director of the Bureau of the Budget, reading as follows:

"This refers to your letter of April 3, 1946, requesting our views with respect to an enclosed report from the Federal Deposit Insurance Corporation to the Chairman of the House Banking and Currency Committee with regard to H. R. 5630, 'to amend section 5155 of the Revised Statutes, with respect to the establishment of branches by national banking associations.'

"The Board has received a request from the House Banking and Currency Committee for a report on H. R. 5630 and there is enclosed herewith a copy of the letter which the Board has written to the Chairman of the Committee in response to this request. It will be noted that the Board favors the objectives of the proposed legislation and, accordingly, the Board is not in agreement with the position taken in the report enclosed with your letter, which opposes the enactment of the legislation."

Approved unanimously, together
with the following letter to Mr. Spence,
Chairman of the House Committee on Bank-
ing and Currency:

4/12/46

-17-

"This is in response to the request contained in the letter from the Clerk of your Committee dated March 18, 1946, for a report on the bill H. R. 5630, introduced by Mr. Hays, 'To amend section 5155 of the Revised Statutes, with respect to the establishment of branches by national banking associations'.

"In a letter dated September 27, 1944, the Board advised your Committee that it was favorable to the enactment of legislation along the lines of the bill H. R. 5258, introduced by Mr. Hays in the last Congress, the objectives of which are similar to the present bill H. R. 5630. The Board continues to hold the same views as expressed in that letter and hopes that branch banking legislation of this kind may be enacted by the Congress. For your convenient reference a copy of the Board's letter with respect to H. R. 5258 is enclosed herewith.

"The present bill, H. R. 5630, differs from H. R. 5258, which was the subject of the Board's letter of September 27, 1944, in that it requires a minimum capital of \$100,000 for the establishment of out-of-town branches by national banks, and therefore also for the establishment of out-of-town branches by State member banks of the Federal Reserve System, and in addition it retains certain other somewhat restrictive provisions of the present law. Under existing law, national banks may be organized in smaller communities with a capital less than \$100,000 and State banks may become members of the Federal Reserve System with a capital less than \$100,000 in similar circumstances. There are a number of States which permit banks to establish branches with a capital of less than \$100,000, and there may be instances where the establishment of branches with such lesser capital by State member banks of the Federal Reserve System would be sound and should be permitted. Therefore the minimum capital requirement of \$100,000 contained in H. R. 5630 may well serve to prevent some State banks with out-of-town branches from becoming members of the Federal Reserve System or existing State member banks from establishing such out-of-town branches when it would be sound and proper for them to do so. Accordingly, the Board feels that the enactment of the provisions contained in the bill H. R. 5258 of the last Congress and which are now contained in the bill H. R. 726, introduced by Mr. Hays in this Congress and now pending before your Committee, would be preferable to the enactment of H. R. 5630.

"There is another point in this connection to which we wish to refer. The Comptroller of the Currency, with respect to national banks, and the Federal Deposit Insurance Corporation, with respect to nonmember insured banks, must

4/12/46

-18-

"give approval for the establishment of branches by such banks, whether such branches are located within or beyond the limits of the city in which the parent bank is situated. The Board of Governors must give approval for the establishment of out-of-town branches of State member banks but such approval is not required in the case of branches established within the city in which the parent bank is located. For the same reasons that existing law requires the approval of the Comptroller of the Currency and the Federal Deposit Insurance Corporation with respect to intracity branches of national and nonmember insured banks, the Board feels that the establishment of intracity branches by State member banks should likewise require the Board's prior approval. Accordingly, in order to accomplish this, it is suggested that an additional provision be included in the bill so as to amend the last sentence of the second paragraph of section 9 of the Federal Reserve Act (U.S.C. Title 12, section 321) by inserting after the comma following the words 'February 25, 1927' the words 'either within or'."

Telegram to Mr. Knoke, Vice President of the Federal Reserve Bank of New York, reading as follows:

"Your telegram April 11. Board approves loans by your Bank to De Nederlandsche Bank aggregating not to exceed \$135,000,000 outstanding at any one time, such loans to be secured by gold earmarked in your vaults totalling approximately \$139,020,000. It is understood as indicated in your telegram that loans are to run for 3 months, but no loan or renewal thereof is to mature later than April 15, 1947; that interest until further notice is to be at the rate of one per cent per annum on the amounts actually advanced; and that on the maturity of the loans, unless they are otherwise paid, your Bank may sell the gold securing the same to the United States and apply proceeds of the sale to the repayment of the loan crediting any surplus to De Nederlandsche Bank's account on your books. This approval supersedes prior approval in our wire of April 5. It is understood that the usual participation will be offered to the other Federal Reserve Banks."

Approved unanimously.

4/12/46

-19-

Memorandum dated April 9, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, reading as follows:

"In June 1945 the Board of Governors approved the printing of 5,000 copies each of the eight Postwar Economic Studies pamphlets at an approximate cost of \$9,000 and the appropriate classification was made in the budget of the Division of Research and Statistics.

"There has been a continuing demand for the pamphlets and the supply is practically exhausted in two cases and is being rapidly depleted in a third. As each pamphlet has been released, there has been an increase in the demand for earlier numbers in the series. Accordingly, it is recommended that the individual pamphlets be reprinted in multiples of 1,000 when the demand warrants, and that the current budget of the Division of Research and Statistics for the appropriate year be increased by an amount necessary to cover the additional cost.

"In our printing contract it is specified that the charge for an additional thousand copies will range between \$51.83 for a 64-page pamphlet and \$97.95 for a 128-page pamphlet, and that the cost for pamphlets in excess of 128 pages will be at a rate of \$11.53 for each 16-page form."

Approved unanimously.

Memorandum dated April 1, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending, for the reasons stated therein, that, in connection with his recent trip to Savannah, Georgia, during the inaugural meeting of the International Monetary Fund and the International Bank for Reconstruction and Development, Mr. Triffin be allowed a \$9.00 per diem instead of the usual \$6.00 per diem allowed by the Board's

4/12/46

travel regulations.

Approved unanimously.

Thereupon the meeting adjourned.

A. Carpenter
Secretary.

Approved:

W. S. ...
Chairman.