

4/26/46 A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, April 26, 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. 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 April 25, 1946, were approved unanimously.

Telegrams to Mr. Whittemore, President of the Federal Reserve Bank of Boston, Mr. Treiber, Secretary of the Federal Reserve Bank of New York, and Messrs. Leach, McLarin, and Gilbert, Presidents of the Federal Reserve Banks of Richmond, Atlanta, and Dallas, respectively, stating that the Board approves the establishment without change by the Federal Reserve Bank of Atlanta on April 24, by the Federal Reserve Banks of New York, Richmond, and Dallas on April 25, and by the Federal Reserve Bank of Boston, today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

4/26/46

-2-

Telegrams to Mr. Whittemore, President of the Federal Reserve Bank of Boston, and Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, stating in each case that effective April 27, 1946, the Board approves (1) the elimination by the Bank of the preferential rate of 1/2 per cent on advances to member banks under paragraphs 8 and 13 of section 13 of the Federal Reserve Act secured by obligations of the United States which have one year or less to run to call date or to maturity if no call date, it being understood that the rate of 1 per cent in effect at the Bank would be applicable to all advances to member banks secured by such obligations irrespective of the date upon which they mature or are called, and (2) the reestablishment without change of all other rates now in effect at the Bank.

Approved unanimously.

Memorandum dated April 22, 1946, from Mr. Paulger, Director of the Division of Examinations, recommending that the salary of Winfrey B. Aker, Assistant Federal Reserve Examiner, be increased from \$2,650 to \$2,870 per annum, effective May 5, 1946.

Approved unanimously.

Letter to Mr. Williams, President of the Federal Reserve Bank of Philadelphia, reading as follows:

"Reference is made to your letter of April 19 advising that the directors have authorized, subject to the concurrence of the Board of Governors, a general increase of 10%

4/26/46

-3-

"on the first \$4,000 of present salaries of all employees except officers.

"The Board authorizes your Bank to make a general increase of 10% on the first \$4,000 of present salary to all employees, other than officers, including those employees who, under earlier authorizations, are presently receiving salaries in excess of the maximums under the personnel classification plan, provided that any increase under this authorization does not cause the total salary to exceed the rate of \$7,500 per annum.

"Please advise the Board as to the date the general increase becomes effective and forward a list of employees whose salaries, under this authorization, are in excess of 115% of the present maximum annual salaries for the respective positions under the personnel classification plan."

Approved unanimously.

Letter to Mr. Koppang, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of Kansas City and its branches at Denver and Oklahoma City as submitted with your letter of April 18, 1946."

Approved unanimously.

Memorandum dated April 25, 1946, from Mr. Ransom, stating that it would be helpful in preparing for the trial of the case which has been instituted against the Consumers Home Equipment Company and A. B. Chereton, President, if Mr. Norris, Assistant United States Attorney who would have charge of the prosecution at the trial, could come to Washington for a few days to work with Mr. Townsend, and recommending that the Board approve payment of Mr. Norris' actual transportation expenses to and from Detroit, as authorized by the Board's

4/26/46

-4-

travel regulations for heads and assistant heads of divisions of the Board's staff, as well as the payment to him of a per diem allowance in lieu of subsistence of \$8.00 during the period that he is absent from Detroit, it being understood that these payments would be charged against the appropriate item of the non-personal budget of the Legal Division.

Approved unanimously.

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

"This refers to your letter of April 12 regarding the penalty charges of \$99.19 and \$104.73 incurred by the Washington County State Bank, Brenham, Texas, as a result of deficiencies in reserves during the last half of February and the first half of March.

"It is noted that the deficiencies resulted in part from inexperienced help overlooking the fact that a reduction in the member bank's balances due from other banks, used to purchase Government securities, would result in an increase in its net demand deposits and required reserve; that the member bank permitted its reserve balance to decline to an average of \$233,000 in the second half of February and an average of \$282,000 in the first half of March, although its reserve requirements had been running around \$300,000, due doubtless to the fact that it had been carrying substantial excess reserves during previous periods; that the bank's average reserve balances exceeded its required reserves by approximately 37 per cent during 1945 and by 5 per cent during the first two and one-half months of 1946, including the periods in which the deficiencies were incurred; and that you have recommended both penalties be waived in view of the bank's excellent record.

"In the above circumstances, the Board authorizes your Bank not to make the assessments."

Approved unanimously.

4/26/46

A meeting of the Board of Directors of the Federal Reserve System was held in Washington on Monday, April 23, 1946, at 10:00 a.m.

-5-

Thereupon the meeting adjourned.

Present: Mr. Jackson, Chairman

Mr. Boardman, Vice Chairman

Mr. Boardman

Mr. Boardman

Mr. Boardman

Mr. Boardman

[Handwritten Signature]
Secretary.

Approved:

[Handwritten Signature]
Chairman.

The minutes of the meeting held on April 23, 1946, were approved unanimously.

Respectfully,
Director of the Division of Administration

that the said report reflects the activities of the employees in that Division for the period from January 1, 1946, to March 31, 1946, and that the same are correct and true.

and, accordingly, the same are approved and the same are hereby certified as correct and true.

Name	Position	Salary	Grade
Joseph S. Boardman	Director of Administration	\$12,000	GS-15
J. Frank Boardman	Assistant Director	\$8,000	GS-12
Howard W. Boardman	Assistant Director	\$7,500	GS-11
Norman Lee Boardman	Assistant Director	\$7,000	GS-10
Dorothy Boardman	Assistant Director	\$6,500	GS-9

Approved and attested: