A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, May 3, 1946, at 10:30 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
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 hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on May 2, 1946, were approved unanimously.

Telegrams to Mr. Treiber, Secretary of the Federal Reserve Bank of New York, Mr. Williams, President of the Federal Reserve Bank of Philadelphia, Messrs. Dillard and Stewart, Secretaries of the Federal Reserve Banks of Chicago and St. Louis, respectively, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, and Mr. Mangels, Vice President of the Federal Reserve Bank of San Francisco, stating the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on April 30, by the Federal Reserve Bank of Kansas City on May 1, by the Federal Reserve Banks of New York, Philadelphia, St. Louis, and San Francisco on May 2, 1946, and by the Federal Reserve Bank of Chicago today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated April 30, 1946, from Mr. Vest, General Counsel, recommending that Mr. John C. Baumann, who had been on military leave, be reinstated in his position as Assistant Counsel in the office of General Counsel, with salary at the rate of $7,070 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination.

Approved unanimously.

Memorandum dated April 30, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Miss Loretta Freedman, a clerk in that Division, and recommending that the same be accepted, effective at the close of business May 3, 1946, and that a lump sum payment be made to her for any annual leave remaining to her credit at that time.

The resignation was accepted as recommended.

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

"The Board of Governors approves the change in the personnel classification plan of the Federal Reserve Bank of New York, involving the establishment of the position of Settlement Clerk in the Coin and Bullion Division of the Cash Department, as submitted with your letter of April 30, 1946."

Approved unanimously.

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

FRASER

"In accordance with the request contained in your letter of April 25, 1946, the Board approves the designation of the following as special assistant examiners for the Federal Reserve Bank of Dallas:

Head Office	Houston Branch	San Antonio Branch
Lane, R. M.	Bonner, Newton M.	Schriewer, Carl H.
	Moore, L. O., Jr.	Stockwell, W. R.
	Story, R. R.	
	Walker, Orval	

El Paso Branch

Gorman, T. F.

"The foregoing includes the names of all of the persons requested in your letter except R. M. Quisenberry, whose designation was approved in the Board's letter of March 5, in compliance with the request contained in your letter of March 1, 1946.

"Appropriate notations have been made in our records of the names reported as deletions."

Approved unanimously.

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

"Board approves payment of salary to S. A. Ligon as Cashier, Charlotte Branch, for the period May 2, 1946, to May 31, 1947, inclusive, at rate of $6,000 per annum, the rate fixed by your Directors as reported in your telegram of May 2. It is noted that in accordance with the program the title of R. L. Cherry has been changed from Cashier to Assistant Manager and Board approves continuation of salary to him in new capacity at present rate of $6,500 for balance of salary year ending May 31, 1946."

Approved unanimously.

Letter to Mr. Peterson, Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

ASER

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"Reference is made to your letter of April 23, 1946, submitting a certified copy of a resolution adopted by the board of directors of the 'Jefferson Bank and Trust Company', St. Louis, Missouri, signifying its intention to withdraw from membership in the Federal Reserve System and the bank's request for waiver of the six months notice usually required.

"The Board of Governors waives the usual requirement of six months notice, as requested. Accordingly, upon surrender of the Federal Reserve Bank stock issued to the Jefferson Bank and Trust Company, the Federal Reserve Bank is authorized to cancel such stock and make appropriate refund thereon.

"Please advise the Board of Governors when cancellation is effected and refund is made. The Certificate of Membership issued to the bank should also be obtained, if possible, and forwarded to the Board. State banking authorities should be advised promptly when the bank's withdrawal from membership has been effected and given the reasons therefor, if desired."

Approved unanimously.

Letter to "The First National Bank of Franklin County at Decherd", Decherd, Tennessee, reading as follows:

"This refers to the resolution adopted on April 17, 1946, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

"The Board, understanding that your bank has never accepted or undertaken the exercise of any trust, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is enclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) or the regulations of the Board of Governors of the Federal Reserve System made

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"pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, and (3) shall not exercise hereafter any of the powers granted by section 11(k) without first applying for and obtaining a new permit to exercise such powers pursuant to the provisions of section 11(k)."

Approved unanimously.

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

"This is in reply to your letter of April 1, 1946, relative to the suggestion of the Industrial Bank of Commerce, New York, New York, that Regulation W be amended to exclude from the list of articles pleasure boats costing in excess of $1,500 to $2,000.

"As you know, it has been our expectation that all boats, as well as a number of other items, could at some appropriate time be removed from the list of articles. Conditions at present, however, would certainly not appear to make that possible, and, as you suggest, the removal of pleasure boats would be especially difficult to justify, considering the state of the market for them."

Approved unanimously.

Thereupon the meeting adjourned.

S R Carpenter
Secretary.

APPROVED:

M S Eccles
Chairman.