

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, May 16, 1946, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Draper

Mr. Carpenter, Secretary  
Mr. Morrill, Special Adviser  
Mr. Thurston, Assistant to the Chairman

As stated in the minutes of the meeting on May 8, 1946, Mr. Vardaman was absent on official business.

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

Memorandum dated May 14, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Mrs. Winofred B. Racz be reappointed as a Clerk in that Division, on a permanent basis, with salary at the rate of \$1,980 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination. The memorandum also stated that Mrs. Racz would again become a member of the Federal Reserve retirement system.

Approved unanimously.

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

"The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Cleveland and its Branches for the period May 1, 1946, through April 30, 1947, at the following rates which are the rates fixed by the Directors as reported in your telegram of May 16:

| <u>Name</u>    | <u>Title</u>         | <u>Annual Salary</u> |
|----------------|----------------------|----------------------|
| Ray M. Gidney  | President            | \$25,000             |
| W. H. Fletcher | First Vice President | 18,000               |

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| <u>Name</u>         | <u>Title</u>                 | <u>Annual Salary</u> |
|---------------------|------------------------------|----------------------|
| A. H. Laning        | Vice President & Cashier     | \$11,000             |
| W. F. Taylor        | Vice President               | 10,000               |
| W. D. Fulton        | Vice President               | 9,000                |
| M. Morrison         | Vice President               | 8,000                |
| R. R. Clouse        | Assistant Vice President     | 9,000                |
| H. E. J. Smith      | Assistant Vice President     | 8,000                |
| W. L. Findeisen     | Assistant Vice President     | 7,500                |
| P. C. Stetzelberger | Assistant Vice President     | 6,700                |
| C. F. Ehninger      | Auditor                      | 7,000                |
| W. T. Blair         | Secretary                    | 6,750                |
| C. J. Bolthouse     | Assistant Cashier            | 7,500                |
| G. H. Emde          | Assistant Cashier            | 6,500                |
| J. B. Anderson      | Assistant Cashier            | 5,950                |
| J. R. Lowe          | Assistant Cashier            | 5,600                |
| J. M. Miller        | Assistant Cashier            | 5,600                |
| G. R. Ross          | Assistant Cashier            | 5,600                |
| L. Merle Hostetler  | Manager, Research Department | 6,500                |

Cincinnati Branch

|               |                   |        |
|---------------|-------------------|--------|
| B. J. Lazar   | Vice President    | 13,500 |
| H. N. Ott     | Cashier           | 8,200  |
| R. G. Johnson | Assistant Cashier | 6,800  |
| S. Brown      | Assistant Cashier | 6,500  |
| P. J. Geers   | Assistant Cashier | 6,450  |

Pittsburgh Branch

|                  |                          |        |
|------------------|--------------------------|--------|
| J. W. Kossin     | Vice President           | 13,500 |
| A. G. Foster     | Cashier                  | 10,000 |
| C. Harrell       | Assistant Vice President | 7,500  |
| J. A. Schmidt    | Assistant Cashier        | 6,750  |
| R. J. Steinbrink | Assistant Cashier        | 6,500  |
| W. H. Nolte      | Assistant Cashier        | 6,300  |

"The Board of Governors also approves the payment of a retain-  
er fee to the firm of Squire, Sanders and Dempsey at the rate of  
\$5,000 per annum for the period May 1, 1946, through April 30,  
1947."

Approved unanimously.

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Memorandum dated April 15, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, submitting, in accordance with the action taken at the meeting of the Board on March 20, 1946, additional information with respect to the budget of \$312,900 submitted by the Federal Reserve Bank of New York, covering the Bank's statistical and analytical function for the year 1946. The memorandum recommended that the budget proposed by the New York Bank be approved as submitted.

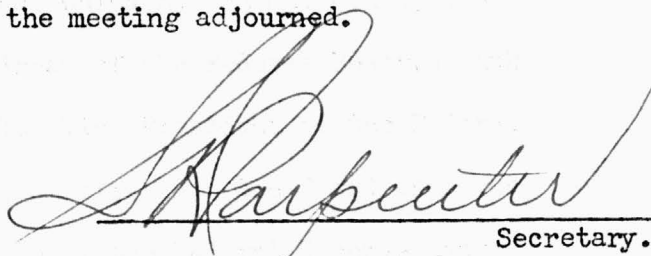
Approved unanimously.

Telegram to Mr. Dawes, Vice President of the Federal Reserve Bank of Chicago, reading as follows:

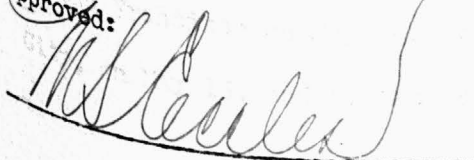
"Re your letter May 14 concerning inquiry of First National Bank of Chicago, our opinion is that loan is like many others which we have uniformly held to be in violation of Regulation U. Possibility of eventual amendment to provide for this type of case should not be ruled out although none is presently under consideration and presumption would be against the likelihood of such action in time for bank to make this particular loan."

Approved unanimously.

Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Chairman.