

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, June 13, 1946, at 10:30 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Evans

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

As stated in the minutes of the meeting of the Board on June 12, 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 June 11, 1946, from Mr. Paulger, Director of the Division of Examinations, recommending that Mr. E. Ralph Massey, now acting as Secretary to Governor Vardaman, be reassigned to the Division of Examinations as an Assistant Federal Reserve Examiner, with headquarters in Washington, D. C., and with no change in his present salary of \$4,080 per annum, effective immediately. The memorandum also stated that it was contemplated that Mr. Massey, as an Assistant Federal Reserve Examiner, would be assigned to assist in Governor Vardaman's office for the next few months.

Approved unanimously.

Memorandum dated June 12, 1946, from Mr. Carpenter, submitting the resignation of Mrs. Maxine Todd Townsend, a File Clerk in the Office of the Secretary, and recommending that the resignation be accepted, effective at the close of

6/13/46

-2-

business on June 14, 1946, with the understanding that lump sum payment would be made to her for any unused annual leave remaining to her credit, less reimbursement to the Board for overdrawn sick leave.

The resignation was accepted as recommended.

Memorandum dated June 12, 1946, from Mr. Leonard, Director of the Division of Personnel Administration, submitting the resignation of Mrs. Dorothy M. Shock as his secretary and recommending that the resignation be accepted, effective at the close of business June 6, 1946.

The resignation was accepted as recommended.

Memorandum dated June 11, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Miss Mae J. Stohlman be appointed as a Clerk-Stenographer in that Division on a temporary indefinite basis, with salary at the rate of \$2,100 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 Miss Stohlman would become a member of the Federal Reserve retirement system unless she had funds in the Civil Service Retirement System from her previous Government service.

Approved unanimously.

6/13/46

-3-

Memorandum dated June 12, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Mr. John O. Bergelin, an Economist in that Division, and recommending that the resignation be accepted, effective, in accordance with his request, at the close of business on June 28, 1946, or possibly somewhat earlier if the necessary arrangements can be made, and that proper lump sum payment be made to him for any annual leave remaining to his credit at that time.

The resignation was accepted as recommended.

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

"In your letter of June 4, 1946, you request the Board's approval of payment of salary to George O. Prickett from July 1, 1946, to December 31, 1946, inclusive, in accordance with the Board's letter of February 4, 1946, S-895.

"The Board approves the payment of salary to George O. Prickett in active service from July 1, 1946, to December 31, 1946, inclusive, if his retention in service is authorized by the board of directors.

"It is noted that the services of Mr. Prickett will be terminated December 31, 1946."

Approved unanimously.

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

"The amended budget submitted by your Bank for the statistical and analytical function for 1946, which calls for expenditures at an annual rate of not to exceed \$100,531 for the rest of the year, has been approved by the Board. It is noted that of this amount

6/13/46

-4-

"a sum not in excess of an annual rate of \$13,000 may be expended by the president of the Bank as he in his judgment may deem necessary for the purpose of procuring cooperative research in regional economics in the First Federal Reserve District through facilities outside of the Bank. It is further noted that the President is authorized to publicize the inauguration and adoption of the plan entitled 'Report and Recommendations - Research and Statistics Department' to the extent and in the manner deemed advisable by him.

"The Board has not yet considered the revised Personnel Classification sheets, which were submitted with the budget, but it will do so as soon as some questions concerning them have been cleared up through discussion with Mr. Neal, your director of Research."

Approved unanimously.

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

"Reference is made to your letter of May 31, 1946, concerning the proposal to engage Mr. Frederick W. Garber, Architect, of Cincinnati, at a cost of \$6,000, to make a study of bank quarters at the Cincinnati Branch to determine if suitable expansion is possible. It is understood that the study concerns the possibility of continuing occupancy of the present quarters in the Chamber of Commerce building after 1952, when the lease expires, and supplementing the space by acquiring property and building either to the south or west of the present Chamber of Commerce building or by inducing an owner to build on one of these sites and lease space to the Bank.

"The Board will interpose no objection to this expenditure. It is assumed that any plans prepared will call for a strictly commercial type of building that could be used for general office purposes in case such use was later found desirable, and that the necessary advance assurance will be obtained from the Chamber of Commerce regarding the long time occupancy of that building."

Approved unanimously.

6/13/46

-5-

Letter to the Comptroller of the Currency, Washington,

D. C., reading as follows:

"It is respectfully requested that you place an order with the Bureau of Engraving and Printing for printing 14,014,000 sheets of Federal Reserve notes of the 1934 Series during the fiscal year ending June 30, 1947, in the amounts and denominations stated for the following Federal Reserve Banks:

	<u>Denomi- nations</u>	<u>Number of sheets</u>	<u>Amount</u>
New York	\$5	1,350,000	\$81,000,000
	10	3,500,000	420,000,000
	20	2,125,000	510,000,000
Philadelphia	5	50,000	3,000,000
	10	750,000	90,000,000
	20	525,000	126,000,000
	50	5,000	3,000,000
Cleveland	5	334,000	20,040,000
Richmond	10	250,000	30,000,000
	20	900,000	216,000,000
	50	10,000	6,000,000
Atlanta	10	375,000	45,000,000
	20	600,000	144,000,000
	50	10,000	6,000,000
	100	10,000	12,000,000
Chicago	10	625,000	75,000,000
	20	400,000	96,000,000
St. Louis	10	375,000	45,000,000
	20	625,000	150,000,000
	100	10,000	12,000,000
Minneapolis	100	10,000	12,000,000

6/13/46

-6-

	<u>Denomi- nations</u>	<u>Number of sheets</u>	<u>Amount</u>
Kansas City	\$10	100,000	\$12,000,000
	20	200,000	48,000,000
	50	15,000	9,000,000
Dallas	10	50,000	6,000,000
	20	200,000	48,000,000
	100	10,000	12,000,000
San Francisco	5	500,000	30,000,000
	10	75,000	9,000,000
	50	25,000	15,000,000
<hr/>			
Total	5	2,234,000	\$134,040,000
	10	6,100,000	732,000,000
	20	5,575,000	1,338,000,000
	50	65,000	39,000,000
	100	40,000	48,000,000"

Approved unanimously.

Letter to Mr. Bowman, Manager of the Credit Department of the Federal Reserve Bank of New York, reading as follows:

"This refers to your letter dated May 31, regarding the Exercycle, product of Exercycle Corporation, 597 Fifth Avenue, New York 17, New York. We note that the company requests the removal of this article from the restrictions of Regulation W on the grounds that it is a health machine and that it was removed from OPA controls last August.

"The descriptive folder you enclosed suggests that the Exercycle may be classed generally with other exercise machines and equipment, such as rowing machines, which we believe are properly included in item 33, 'Sports', athletic, outing, and games' equipment,' under section 13(a) Group A of the regulation. In our opinion it would not be proper for the Board to rules, on the basis of the case presented, that the Exercycle is either more effective in promoting health or less of an inflationary danger than other articles of this general type designed for exercise purposes.

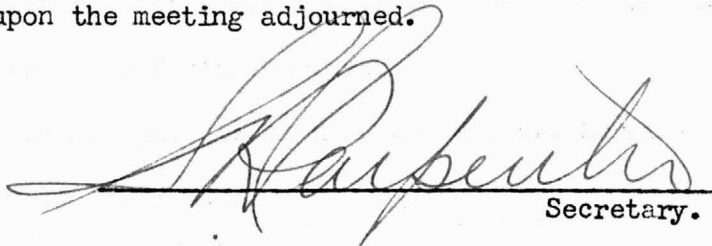
6/13/46

-7-

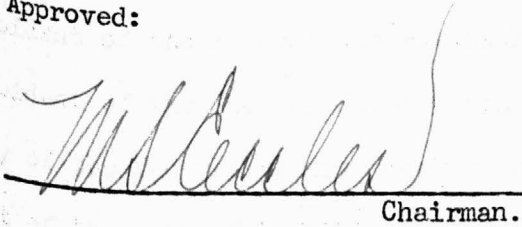
"Accordingly, it does not seem advisable to except the Exercycle from the restrictions of the regulation until the whole group of related articles may be appropriately removed."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.