

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, June 17, 1946, at 10:30 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Draper
Mr. Evans

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

As stated in the minutes of the meeting on June 12, 1946, Mr. Vardaman was absent on official business.

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 June 12, 1946, were approved unanimously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on June 13 and 14, 1946, were approved and the actions recorded therein were ratified unanimously.

Memorandum dated June 6, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Mrs. Mary P. Gwyn be appointed as a Library Assistant in that Division, on a temporary indefinite basis with a salary at the rate of \$2,232 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. Gwyn would become a member of the Federal Reserve retirement system unless she still had funds in the Civil Service Retirement System from her previous employment in the Treasury Department.

Approved unanimously.

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Memorandum dated June 14, 1946, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Mrs. Katharyne P. Reil, who has been on maternity leave, be reemployed as an Economist in that Division at her previous salary of \$3,860 per annum, effective as of the date upon which she enters upon the performance of her duties about July 1, 1946, after having submitted to the Board a written statement from her physician to the effect that he believes she is again in condition to work.

Approved unanimously.

Memorandum dated June 4, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Mr. Weir M. Brown be appointed as an Economist in that Division on a temporary indefinite basis with a salary at the rate of \$5,600 per annum, effective as of the date upon which he enters upon the performance of his duties, after having passed the usual physical examination. It was understood that Mr. Brown was a member of the Civil Service Retirement System.

Approved unanimously.

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

"In accordance with the request contained in your letter of June 10, the Board of Governors approves for a further period of six months beginning May 28, 1946, the payment of salary to Mr. Joseph C. Cosgrove at the rate of \$4,190 per annum, which is in excess of the maximum for the position of Senior Clerk to which he is presently assigned.

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"It is understood that efforts are being made to assign Mr. Cosgrove to a position commensurate with his salary."

Approved unanimously.

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

"In accordance with the request contained in your letter of June 13, the Board approves payment of salary to Mr. Edward W. O'Flaherty at the rate of \$7,500 per annum in the position of Special Assistant in the Foreign Department."

Approved unanimously.

Letter to Mr. Neely, Federal Reserve Agent at the Federal Reserve Bank of Atlanta, reading as follows:

"In accordance with the request contained in Mr. Rainey's letter of June 7, the Board of Governors approves the payment of salary to Mr. D. J. Ducamus as Federal Reserve Agent's Representative at the New Orleans Branch at the rate of \$2,520 per annum effective July 1, 1946."

Approved unanimously.

Letter to Mr. Leland, Federal Reserve Agent at the Federal Reserve Bank of Chicago, reading as follows:

"In accordance with the request contained in Mr. Meyer's letter of June 8, 1946, the Board approves the payment of salaries to Messrs. August J. Pettke and Everett D. Jones, Federal Reserve Agent's Representatives at the Detroit Branch, at the following rates effective June 1, 1946:

Mr. Pettke	\$4,600
Mr. Jones	4,200."

Approved unanimously.

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

"The Board of Governors approves the change in the Personnel Classification Plan involving the establishment of the position of Supervisor of General Files in the Files-Forms-Stenographic Department, as submitted with your letter of June 3, 1946."

Approved unanimously.

Telegram to Mr. Mangels, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Relet June 11. Board approves appointment of Alwin R. Bergman as examiner for Federal Reserve Bank of San Francisco. Please advise effective date."

Approved unanimously.

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

"This refers to your letter of June 11 regarding the penalty of \$55.76 incurred by Edgewater National Bank, Edgewater, New Jersey, as a result of a deficiency in reserves during the semi-annual period ended May 31, 1946.

"In the circumstances set forth in your letter, the Board authorizes your Bank not to make the assessment."

Approved unanimously.

Letter to the board of directors of the "State Bank of Barnum", Barnum, Minnesota, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Minneapolis.

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Approved unanimously, together with a letter to Mr. Peyton, President of the Federal Reserve Bank of Minneapolis, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the State Bank of Barnum, Barnum, Minnesota, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the board of directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Commissioner of Banks for the State of Minnesota for his information.

"Since the amount of estimated losses shown in the report of examination for membership is relatively small, the usual condition of membership requiring the elimination of losses has not been prescribed. It is assumed, however, that proper provision for losses will be made as a matter of sound banking practice.

"It has been noted that the debt limit provided in section Sixth of the bank's Certificate of Incorporation, as amended in January, 1945, has been exceeded and it is assumed that the matter has been or will be called to the attention of the bank and appropriate action required. Please advise the Board when such action is taken."

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

"In view of the recommendation contained in your letter of June 6, 1946, the Board of Governors will interpose no objection, under condition of membership numbered 8 to which the trust company is subject, to the investment by the Norfolk County Trust Company, Brookline, Massachusetts, of approximately \$150,000 in alterations and improvements to its head office building and approximately \$75,000 in improvements to the quarters occupied by its branch in Quincy, Massachusetts. It is understood that the foregoing represents an increase of \$75,000 in the proposed expenditure for the purpose of altering and improving the head office building to which reference was made in the Board's letter of January 5, 1946, and no increase in the proposed expenditure for improving the branch building."

Approved unanimously.

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Telegram to the Presidents of all Federal Reserve Banks reading as follows:


"Garbage incinerators are not listed articles under Regulation W even if they contain an electric or a gas drying or lighting device."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.