

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, June 19, 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 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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on June 18, 1946, were approved unanimously.

Memorandum dated June 17, 1946, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of Miss Kathleen T. Gallagher as a stenographer in that Division, at a salary 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 Gallagher was a member of the Civil Service Retirement and would continue in that System.

Approved unanimously.

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Memorandum dated June 17, 1946, from Mr. Smead, Director of the Division of Bank Operations, recommending that Mr. Thomas M. Parsons, who had been on military leave, be re-employed as Technical Assistant in that Division, at a basic salary at the rate of \$4,300 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.

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

"A Federal Reserve Bank has advised Board by telephone that in its opinion no part of expenses incurred in developing new personnel classification plans should be charged to fiscal agency units. In circumstances, Board concurs with Bank's views, and in interest of uniformity suggests that same practice be followed by all Reserve Banks."

Approved unanimously.

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

"The Board of Governors approves the request of the directors of your Bank, as submitted in your letter of June 14, that the Bank be authorized to exceed maximum annual salaries under the personnel classification plan of the Bank, including the Branches, by 30% of the first \$3,000 of annual salary, provided this does not increase a salary beyond \$7,500.

"This authorization supersedes the authorization given in the Board's letter of November 28 to exceed maximum annual salaries by as much as 15% of the first \$3,000 of annual salary subject to the over-all limitation of \$7,500.

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"It is noted that the program approved by the directors provides for an increase effective August 1, 1946, of 10% of the first \$3,000 of annual salary in effect July 1, 1946, for all employees at the Head Office and Branches, exclusive of officers, and for a review of employees' salaries with the thought of an adjustment above 10% of the first \$3,000 of annual salary in cases where it is considered advisable because of unusually meritorious individual performance or other special circumstances.

"It is understood this program is an interim measure considered necessary pending completion of the revision of the personnel classification plan."

Approved unanimously.

Letter to board of directors of "The Ripley County Bank", Os-
good, Indiana, stating that, subject to conditions of membership
numbered 1 to 3 contained in the Board's Regulation H, and the fol-
lowing special condition, 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 Chicago:

- "4. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$1,397, as shown in the report of examination of such bank as of May 11, 1946, made by an examiner for the Federal Reserve Bank of Chicago."

Approved unanimously, for transmission through the Federal Reserve Bank of Chicago.

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

"This refers to your letter of June 11 regarding the penalties of \$9.86 and \$7.40 incurred by The Gloucester Safe Deposit & Trust Company, Gloucester, Massachusetts, as a result of deficiencies in reserves for the periods ended April 30 and May 15, 1946.

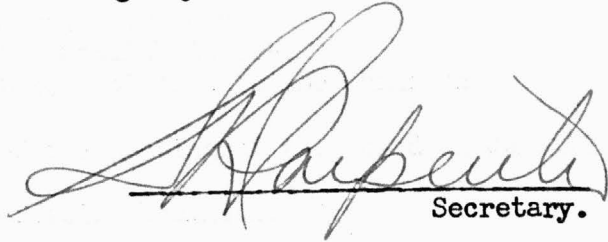
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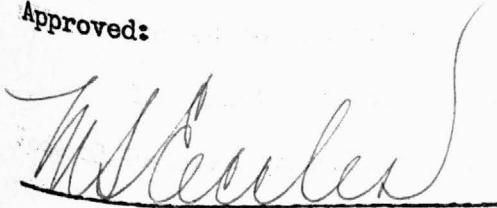
"In the circumstances set forth in your letter, the Board authorizes your Bank not to make the assessments."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.