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A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, July 9, 1946, at 10:30 a. m.

PRESENT: Mr. Szymczak, Chairman pro tem  
Mr. Evans  
Mr. Vardaman

Mr. Carpenter, Secretary  
Mr. Thurston, Assistant to the Chairman

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

Memorandum dated July 2, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Miss Lois Ingram be appointed as a Clerk in that Division, on a temporary basis for a period of not to exceed four months, with basic salary at the rate of \$2,168.28 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 Ingram would not become a member of the Federal Reserve retirement system in view of the nature of her appointment.

Approved unanimously.

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

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of Boston, involving the establishment of 3 new positions and increases in maximum annual salaries for 22 positions, as submitted with your letter of July 1, 1946."

Approved unanimously.

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Letter to Mr. Harvey, Assistant Cashier of the Federal Reserve Bank of Boston, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan involving the establishment of the new positions in the Research and Statistics Department as submitted with your letter of June 27. These changes involve also the cancellation of a number of pages and changes in the number of two pages.

"For your convenience, a summary of the various changes is attached."

Approved unanimously.

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

"The Board of Governors approves the designation of Mr. Donald S. Thompson as Vice President in charge of the Research Department of the Federal Reserve Bank of Cleveland and payment of salary to him from the time he reports for duty through April 30, 1947, at the rate of \$12,000 per year, the rate fixed by the directors as reported in your letter of June 28.

"It is understood that the appointment of Mr. Thompson is to be effective August 16, 1946. If it does not become effective at that date please advise us in order that our records may show the proper date."

Approved unanimously.

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

"In accordance with the request contained in your letter of June 25, 1946, the Board approves the appointment of Orville H. Bleckman as an assistant examiner for the Federal Reserve Bank of St. Louis. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

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

"In accordance with the request contained in your letter of June 25, 1946, the Board approves the appointment of Leslie Harder as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

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

"Reference is made to your letter of July 1, 1946, submitting a certified copy of a resolution adopted by the board of directors of the Farmers and Merchants Bank, Mt. Pleasant, Tennessee, 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 Farmers and Merchants Bank, 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 has been effected and given the reasons therefor, if desired."

Approved unanimously.

Letter to the Federal Deposit Insurance Corporation, Washington, D. C., reading as follows:

"Pursuant to the provisions of section 12B of the Federal Reserve Act, as amended, the Board of Governors of the Federal Reserve System hereby certifies that the

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College Station State Bank, College Station, Texas, became a member of the Federal Reserve System on July 1, 1946, and is now a member of the System. The Board of Governors of the Federal Reserve System further hereby certifies that, in connection with the admission of such bank to membership in the Federal Reserve System, consideration was given to the following factors enumerated in subsection (g) of section 12B of the Federal Reserve Act:

1. The financial history and condition of the bank,
2. The adequacy of its capital structure,
3. Its future earnings prospects,
4. The general character of its management,
5. The convenience and needs of the community to be served by the bank, and
6. Whether or not its corporate powers are consistent with the purposes of section 12B of the Federal Reserve Act."

Approved unanimously.

Letter to "The First National Bank of Boston", Boston, Massachusetts, reading as follows:

"This refers to the letter of June 28, 1946 from Cashier R. D. Clark of your bank requesting an extension of the time within which you may establish a branch at Rio de Janeiro, Federal District, United States of Brazil.

"The Board of Governors of the Federal Reserve System granted its permission on July 17, 1945 for the establishment of such branch with a proviso that it be established and opened for business on or before August 1, 1946.

"The Board of Governors of the Federal Reserve System extends to February 1, 1947 the time within which The First National Bank of Boston may establish and open for business a branch at Rio de Janeiro, Federal District, United States of Brazil, in accordance with the provisions of its order of July 17, 1945."

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Approved unanimously  
for transmittal through the  
Federal Reserve Bank of  
Boston.

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

"Payment for accrued liability under amendments to Rules and Regulations of the Retirement System of the Federal Reserve Banks, approved by Board June 26, should be charged to profit and loss and will be shown in Board's published statement as a deduction from current net earnings against caption, 'Retirement System (salary computation adjustment).'"

Approved unanimously.

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

"In view of large differences for first quarter 1946 in functional expense cost figures, including those for reimbursable Fiscal Agency units, it is believed desirable to hold a conference sometime this fall of representatives from all Federal Reserve Banks to consider basic causes for major differences and steps to improve reports including amplification and clarification of manual of instructions; standardization of methods of determining salary and other costs, and volume of work figures; also method of determining reimbursable expenses, etc.

"Will appreciate submission of suggested topics for agenda not later than September 30. Also suggest that representative of your Bank who will attend conference carefully review present method of determining charges and volume of work figures for specific units, with particular reference to whether manual of instructions is being strictly followed.

"If instructions in manual are inadequate or not clear, it would be helpful if supplemental or revised language is furnished Board not later than September 30.

"Date of conference will be determined after receipt of the above."

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Approved unanimously.

Thereupon the meeting adjourned.

*W. Carpenter*  
Secretary.

Approved:

*W. S. Applegate*  
Chairman pro tem.