

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, July 26, 1946, at 3:00 p. m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Vardaman

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

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

Telegrams to Messrs. Walden and Powell, First Vice Presidents of the Federal Reserve Banks of Richmond and Minneapolis, respectively, and to Messrs. Dillard and Mangels, Vice Presidents of the Federal Reserve Banks of Chicago and San Francisco, respectively, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on July 23, and by the Federal Reserve Banks of Richmond, Chicago and Minneapolis on July 25, 1946, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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

"Reurtel July 25. Effective July 26, 1946, Board approves increase in minimum buying rate on bankers' acceptances from 1/2 per cent to 3/4 per cent per annum, and the elimination of resale agreement rate on bankers' acceptances of 1-1/2 per cent. It is understood that any acceptances purchased by your Bank will be at the rate of 3/4 per cent for maturities up to 90 days, 7/8 per cent up to 120 days, and one per cent up to 180 days. Reestablishment of all other rates now in effect at your Bank also approved by Board."

Approved unanimously.

7/26/46

-2-

Memorandum dated July 22, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Miss Elizabeth Harriet Dawson be appointed as a Clerk in that Division, on a temporary basis for a period not to exceed two months, with salary at the rate of \$1,756 per annum, effective as of the date on which she enters upon the performance of her duties after having passed the usual physical examination. The memorandum also stated that because of the temporary nature of Miss Dawson's employment she would not become a member of the Retirement System.

Approved unanimously.

Letters to "South Shore Trust Company", Rockville Centre, New York, "Pee Dee State Bank", Timmonsville, South Carolina, and "The Peoples Bank of Dayton", Dayton, Ohio, respectively, reading as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to membership in the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

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

"Reurtel July 25 the Board approves your granting the Banco de la Republica Oriental del Uruguay two new loans each in the amount of \$5,000,000 to replace the loans maturing August 5 and August 20 on the terms and conditions stated in your telegram, it being understood

7/26/46

-3-

"that the usual participation in the loans will be offered to the other Federal Reserve Banks."

Approved unanimously.

Letter to Mr. W. M. B. Freeman, Deputy Director, Purchase Branch, Treasury Department, Procurement Division, Washington, D. C., reading as follows:

"This is to inform you that the Board of Governors of the Federal Reserve System agrees in principle with the plan proposed by the Public Utilities Division for the installation of a dial tandem switching center to handle inter-agency private branch exchange telephone communications in the District of Columbia.

"The Board understands that the tie-lines and associated switching equipment which we will order will be those essential to meet requirements under the proposed plan and will be based upon traffic engineering studies made by the Chesapeake and Potomac Telephone Company and analyzed and concurred in by the Public Utilities Division.

"The Board also understands that the proposed methods of handling Government inter-agency calls in the Washington metropolitan area are designed to provide it and other Government agencies with more convenient, economical and faster service; and that if your studies or our experience over a reasonable trial period discloses that the proposed plan does not provide service which is entirely satisfactory to the Board, no objection will be raised to the replacement of some or all of the direct tie-lines which the Board now has with other Government agencies."

Approved unanimously.

Letter to Mr. F. J. Bailey, Assistant Director, Legislative Reference, Bureau of the Budget, Washington, D. C., reading as follows:

"This is in response to your letter of July 22, 1946, requesting the Board's comments on the enrolled enactment of H. R. 4590, 'To authorize the use by industry of silver held or owned by the United States, and for other purposes', facsimiles of which were enclosed with your letter.

7/26/46

-4-

"The Board believes it desirable that the Secretary of the Treasury be authorized to sell or lease silver for manufacturing uses as proposed by this legislation. While it is open to question whether the price at which such silver is to be sold should be that specified in this bill or some other price, nevertheless, it is the opinion of the Board that H. R. 4590 should be approved."

Approved unanimously.

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

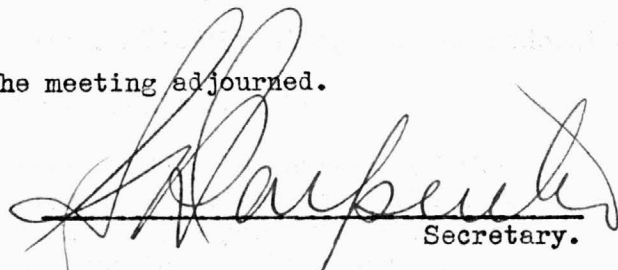
"It will be appreciated if you will report the following with respect to your Regulation W enforcement activities as soon as possible after July 31, to reach the Board no later than August 5.

- A. Number of individually licensed Registrants as of March 31, 1946, and July 31, 1946.
- B. Number of investigators in field during March 1946 and July 1946. Express as full time equivalent, counting as one investigator the equivalent of one man at work for entire month. Estimate if information is not readily determinable.
- C. Number of investigations made during March 1946 and July 1946.

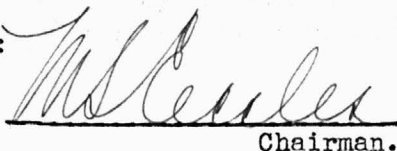
"If investigators were not in the field during any part of the periods covered in the report because of illness or vacation, please report separately the number of man-days so lost. Will you also please report any action taken since April to enlist the cooperation of other supervisory agencies in enforcing Regulation W and the results obtained."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.