

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, August 16, 1946, at 10:30 a.m.

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

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

Mr. Vardaman was absent for the reasons stated in the minutes of the Board of Governors of the Federal Reserve System for August 6, 1946.

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

Telegrams to Mr. Whittemore, President of the Federal Reserve Bank of Boston, Mr. Treiber, Secretary of the Federal Reserve Bank of New York, Messrs. Williams and McLarin, Presidents of the Federal Reserve Banks of Philadelphia and Atlanta, respectively, Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Mangels, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Banks of Atlanta and San Francisco on August 13, by the Federal Reserve Bank of St. Louis on August 14, by the Federal Reserve Banks of New York, Philadelphia, Chicago, Dallas and San Francisco on August 15, 1946, and by the Federal Reserve Bank of Boston, today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

8/16/46

-2-

Memorandum dated August 14, 1946, from Mr. Nelson, Director of the Division of Personnel Administration, recommending that (1) Miss Phyllis Bramlet be transferred from the Division of Research and Statistics to the office of Mr. D. M. Kennedy, Special Assistant to the Chairman, in the Board members' offices, (2) that her title be changed from Clerk-Stenographer to Secretary to Mr. Kennedy and (3) that her salary be increased from \$2,770.20 to \$3,021 per annum, all effective August 25, 1946.

Approved unanimously.

Memorandum dated August 15, 1946, from Mr. Bethea, Director of the Division of Administrative Services, submitting the resignation of Mr. Julian Hammond, Guard in that Division, and recommending that the same be accepted, effective at the close of business August 10, 1946.

The resignation was accepted as recommended.

Letter to Mr. Brainard, Chairman of the Federal Reserve Bank of Cleveland, reading as follows:

"At the completion of the examination of the Federal Reserve Bank of Cleveland, made as of June 4, 1946, by the Board's examiners, a copy of the report of examination was left for your information and that of the directors. A copy was also furnished President Gidney.

"The Board has noted with interest and appreciation the examiner's references to improvements effected in personnel and other operations of the Bank and the efforts of the management for further improvements.

"The Board will appreciate advice that the report has been considered by the board of directors. Any comments you may care to offer regarding discussions with respect

8/16/46

-3-

to the examination or as to action taken or to be taken as a result of the examination will also be appreciated."

Approved unanimously.

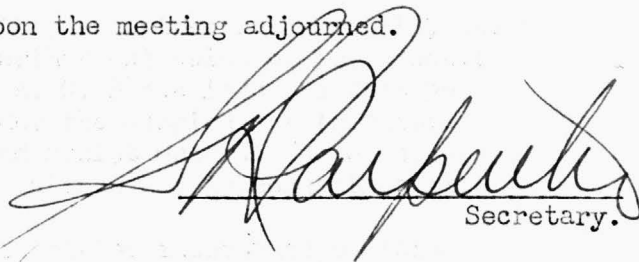
Letter to the Presidents of all Federal Reserve Banks, reading as follows:

"There is enclosed a copy of a letter, without enclosure which is available at your Bank, dated August 7, 1946 from Fiscal Assistant Secretary of the Treasury Bartelt to Chairman Eccles with reference to (1) the eleven so-called restricted Treasury Bond issues outstanding, (2) the holdings of Treasury issues by commercial banks under the formulae applicable to the Fourth, Fifth, Sixth, and Victory Drives, and (3) Department Circular No. 787, dated May 17, 1946, which provides that additional bonds of the eleven restricted issues may be held by commercial banks in limited amounts as specified in the circular, for the purpose of facilitating transactions for the account of customers.

"It will be appreciated if you will bring Mr. Bartelt's letter to the attention of your examiners with the request that any violations of the terms and conditions of the governing circulars be discussed with the member bank officials concerned during the course of examinations and that appropriate comments be made in reports of examinations as to actions taken or contemplated with regard to any excess holdings."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.