

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, October 4, 1946 at 9:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Draper
Mr. Evans
Mr. Vardaman

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Chairman
Mr. Smead, Director of the Division of
Bank Operations
Mr. Parry, Director of the Division of
Security Loans
Mr. Vest, General Counsel
Mr. Nelson, Director of the Division of
Personnel Administration
Mr. Young, Assistant Director of the
Division of Research and Statistics

There were presented telegrams to Mr. Clarke, Assistant Secretary of the Federal Reserve Bank of New York; Mr. McCreedy, Secretary of the Federal Reserve Bank of Philadelphia; Mr. Bryan, First Vice President of the Federal Reserve Bank of Atlanta; Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis; 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 Bank of San Francisco on October 1, by the Federal Reserve Banks of Atlanta and St. Louis on October 2, and by the Federal Reserve Banks of New York and Philadelphia on October 3, 1946, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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Mr. Evans stated that in accordance with the action taken at the meeting of the Board on August 20, 1946, the Personnel Committee discussed with President Leach of the Federal Reserve Bank of Richmond the question of the continuation of the arrangement under which Vice President Kincaid conducted a seminar for the University of Virginia on Saturdays, and that inasmuch as Mr. Kincaid would be 63 years of age next March and would retire two years from that date, it was the opinion of the Committee that no change should be made in the present arrangement, it being understood that Mr. Kincaid's successor would devote his full time to the Bank and would not have any outside connections with a college or university.

All of the members of the Board were in agreement with this disposition of the matter.

Before this meeting there had been furnished to the members of the Board and appropriate members of the staff copies of a memorandum of topics which the Presidents of the Federal Reserve Banks had considered at their separate meeting in Washington on October 1 and 2 and which they wished to discuss at a joint meeting with the Board which had been set for 11 o'clock this morning. The individual matters referred to in the memorandum, as listed below, were discussed by the Board and it was agreed that the Presidents would be advised of the Board's position on each of the items substantially as stated by Chairman Eccles at the joint meeting with the Presidents and as recorded in the minutes for that meeting:

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1. Maximum deferment of credit for cash items.
2. Job evaluation and classification.
3. Proposed surveys of commercial, industrial, and agricultural loans.
4. Legislation
 - (a) Possible legislation regarding industrial loans by the Reserve Banks.
 - (b) Possible legislation regarding capital requirements of member banks.
 - (c) The modified bank holding company bill (H.R. 6225).
 - (d) RFC blanket loan agreement.
5. Consumer credit - Regulation W.
6. Legislative proposals in Board's 1945 annual report.
7. Administration and enforcement of Regulations T and U.
8. Federal Reserve Bank expenditures.
9. Expenditures for luncheons, entertainments, etc.

In connection with the proposed surveys of commercial, industrial, and agricultural loans, it was suggested that it would not be possible to get the surveys ready before sometime after the first of the year.

Mr. Vardaman inquired what consideration had been given to the question (1) whether a uniform date for the surveys throughout the United States would produce as satisfactory results as dates in the respective districts when agricultural credits were at their annual peak, and (2) whether another survey should be made as of a time when such loans were at the low point for the year.

Mr. Young stated that there had been extensive discussion of these points with various individuals and that it was felt that a feasible plan would be a nation-wide survey toward the end of the year or early next year which would be about the low point of agricultural loans, to be followed by a supplementary survey by the individual Fed-

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eral Reserve Banks at a time designed to cover the period of peak loans in the respective districts. It appeared, Mr. Young said, that everyone with whom the matter of timing had been discussed concurred in this plan.

It was agreed that the question of the exact timing of the surveys need not be discussed with the Presidents at this time.

At this point Messrs. Smead, Parry, Vest, Nelson and Young withdrew from the meeting and the action stated with respect to each of the matters hereinafter set forth was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on October 3, 1946, were approved unanimously.

Memorandum dated October 4, 1946, from Mr. Carpenter submitting the resignation of Mrs. Mary E. Sanders, a clerk-stenographer in the Office of the Secretary, to become effective, in accordance with her request, at the close of business October 4, 1946, with the understanding that a lump sum payment would be made for annual leave remaining to her credit as of that date.

Approved unanimously.

Memorandum dated October 1, 1946, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of William Edward Hardy as a laborer in that Division, on a temporary indefinite basis, with basic salary at the rate of \$1,690.00 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination. The memorandum also stated that it was contemplated that Mr. Hardy would become a member of the Federal Reserve retirement system.

Approved unanimously.

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Memorandum dated September 30, 1946, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of Mrs. Moynelle E. Harloff as a clerk-stenographer in that Division, on a temporary indefinite basis, with basic salary at the rate of \$2,394.00 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 it was contemplated that Mrs. Harloff would become a member of the Federal Reserve retirement system.

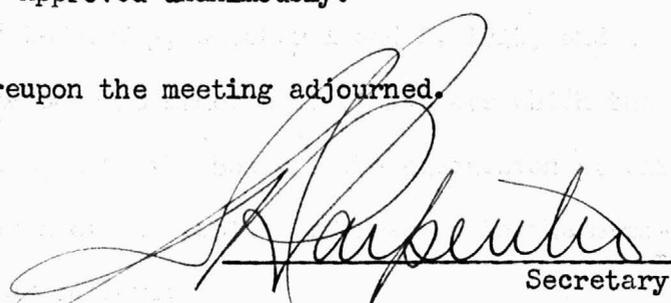
Approved unanimously.

Telegram to Mr. Heath, Assistant Cashier of the Federal Reserve Bank of Chicago, reading as follows:

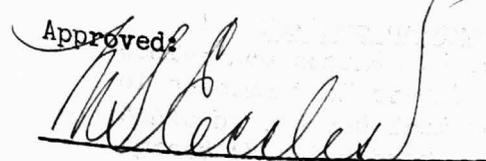
"Retel principle outlined in S-937 is applicable to installment loans as well as single payment loans."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.