

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, November 4, 1946.

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

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

As stated in the minutes of October 30, 1946, Mr. Vardaman was absent on official business.

The minutes of actions taken by the Board of Governors of the Federal Reserve System on November 1, 1946, were approved unanimously.

Memorandum dated November 1, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending the appointment of Miss Mercedes Davis as a clerk-typist in that Division, on a temporary indefinite basis, 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 it was contemplated that Miss Davis would become a member of the Federal Reserve retirement system.

Approved unanimously.

Memorandum dated October 31, 1946, from Mr. Thomas, Director of the Division of Research and Statistics, recommending the appointment of Mrs. Elva H. Townsend as a clerk in that Division, on a tem-

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porary indefinite basis, with basic salary at the rate of \$2,469.24 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 Mrs. Townsend was a member of the Civil Service Retirement System, and would remain in that system.

Approved unanimously.

Memorandum dated October 31, 1946, from Mr. Leonard, Director of the Division of Examinations, recommending the appointment of Miss Ruth E. Morris as a 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 Miss Morris would become a member of the Federal Reserve retirement system.

Approved unanimously.

Memorandum dated October 31, 1946, from Mr. Nelson, Director of the Division of Personnel Administration, recommending the transfer of Miss Nancy Lee Chelberg, a stenographer in the Division of Examinations, to the Division of Personnel Administration as a clerk-stenographer, with no change in her present basic salary of \$2,318.76 per annum, to become effective November 17, 1946.

Approved unanimously.

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Memorandum dated November 1, 1946, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of Miss Marjorie Eaton as a stenographer in that Division 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 Miss Eaton was a member of the Civil Service Retirement System and would remain in that system.

Approved unanimously.

Memorandum dated November 1, 1946, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of Miss Audrey L. Moye as a stenographer in that Division 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 Miss Moye would become a member of the Federal Reserve retirement system.

Approved unanimously.

Letter to Mr. Laning, Vice President and Cashier of the Federal Reserve Bank of Cleveland, reading as follows:

"Reference is made to your letter of October 24, 1946 advising that your Board of Directors has approved the continuance of employment from January 1, 1947 to and including June 30, 1947, of Messrs. George J. G. Anderson and C. Clyde Phillips, employees of the Pitts-

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"burgh Branch who have attained the age of 66 years.

"In view of the circumstances outlined in your letter, the Board approves the payment of salaries to the above-named employees from January 1, 1947 to June 30, 1947, inclusive."

Approved unanimously.

Letter to Mr. Rainey, Director of Personnel of the Federal Reserve Bank of Atlanta, reading as follows:

"The Board of Governors approves the change in the personnel classification plan of the Federal Reserve Bank of Atlanta and its Branches, consisting of a change in the title of Building Custodian at the Birmingham Branch to Building Custodian and Mechanic, as submitted with your letter of October 23, 1946."

Approved unanimously.

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

"Reference is made to your letter of October 31, 1946, advising of the salary program voted by the Executive Committee and requesting authority to exceed maximum annual salaries under your personnel classification plan in order to permit the general salary increase.

"The Board of Governors authorizes the Federal Reserve Bank of Atlanta, effective November 1, 1946, to exceed by 25 per cent maximum annual salaries of employees, other than officers, under its personnel classification plan, provided that any increase granted under this authorization shall not cause the total salary of any employee to exceed the rate of \$7,500 per annum.

"This authorization supersedes the authorization to exceed maximum salaries contained in the Board's letter of November 15, 1945, and is granted as a temporary measure for post war adjustments pending revision of your personnel classification plan."

Approved unanimously.

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Letter to Mr. Neely, Federal Reserve Agent of the Federal Reserve Bank of Atlanta, reading as follows:

"In accordance with the request contained in Mr. McLarin's letter of November 1, 1946, the Board of Governors approves, effective November 1, 1946, the payment of salaries to the following members of the Federal Reserve Agent's Staff at the rates indicated, as part of the salary adjustment program recently approved by your Executive Committee:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
D. E. Moncrief	Assistant Federal Reserve Agent	\$4,300
J. V. Westerhaus	Federal Reserve Agent's Representative - New Orleans Branch	3,300
D. J. Ducamus	Federal Reserve Agent's Representative - New Orleans Branch	2,772

"Mr. McLarin's letter indicates that the salary of Mrs. Genevieve Barnett, Alternate Assistant Federal Reserve Agent, is to be increased from \$3,000 to \$3,300 per annum. However, as stated in the Board's letter of October 14, 1946, Mrs. Barnett's salary has been approved at the rate of \$3,300 per annum, and further action by the Board in this connection at this time is not required."

Approved unanimously.

Letter to the board of directors of the "Bank of Rogers Park", Chicago, Illinois, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, 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.

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

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

"A Summary of Regulation W Enforcement Reports for the month of September 1946 is enclosed.

"A majority of the Banks indicated that no particular class of Registrants presented unusual enforcement difficulties. Several reported continuing difficulties with respect to house-to-house peddlers, jewelry stores, furniture stores, and automobile dealers. One Bank stated that it was experiencing increased problems in the sales finance company category which it attributed to the somewhat greater availability of consumer durables of a type customarily financed by such organizations.

"Transmission of this summary to you has been delayed owing to the fact that reports from a few of the Federal Reserve Banks have reached us only within the past few days. Since this summary is primarily of current interest, we should like to be able to send it to you promptly after the close of each month. Most of the Reserve Banks customarily mail their reports before the tenth, and if your Bank has not been among this group, we should appreciate your making every reasonable effort hereafter to have the report in the mail not later than the tenth of the month."

Approved unanimously.

Letter signed by Chairman Eccles to the Honorable W. A. Harriman, Secretary of Commerce, Washington, D. C., reading as follows:

"I have your letter of October 25, 1946, discussing the prospect of a sample survey to secure more adequate facts concerning the credit needs of small business.

"As you know, the Board is greatly interested in the credit problems of small business as a part of its general responsibilities in connection with the financing of commerce and industry. In recent years the Board has conducted several surveys to secure more adequate information. The System will soon conduct a survey of a sample of commercial banks to obtain detailed information concerning

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"bank loans to business, by industry and by size of business. The Board, in cooperation with the Robert Morris Associates, has assembled annual income and balance sheet data since 1940 for a sample of manufacturing and trade concerns, particularly of small and medium size, for the purpose of indicating the uses and sources of business funds and the prospective need for bank credit.

"Additional information of value concerning the financing of small business could be obtained directly from the businesses themselves. Interviews, as used by the Division of Program Surveys of the Bureau of Agricultural Economics in obtaining for the Board information on the liquid asset holdings of individuals, offer a procedure that might be used to secure information from business not obtainable through customary statistical procedures. An investigation of this type in the field of small business would involve considerable statistical complexity because of the great variety of businesses and procedures. It would also require information concerning the nonstatistical and nonfinancial aspects of small business such as is brought out in Mr. Hopkins' paper 'Long-term Needs of Small Business', recently published in pamphlet No. 5 of the Federal Reserve Postwar Economic Studies.

"In view of the background and interest of the Department of Commerce in all aspects of business it would seem appropriate for your Department to conduct a survey which should yield useful results. Because of the interest of the Federal Reserve System in such a survey, I am sure that the Board would be glad to cooperate in planning the project and, if feasible, in helping to carry it out. The Board's Division of Research and Statistics will be prepared to work with members of your staff on this matter, if you so desire."

Approved unanimously.

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

"With reference to your letter of November 2, 1946, the Board approves the renewal by your Bank of a \$5,000,000 loan maturing November 6 to Banco de la Republica Oriental del Uruguay, such loan to be secured by gold earmarked in your vaults and made on the following terms and conditions:

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"(a) Such loan to be made up to 98 per cent of the value of the refined gold bars held by you in your vaults as collateral;

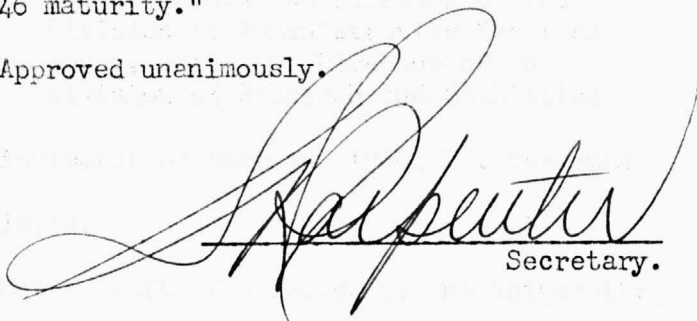
(b) Such loan to run for three months; and

(c) Interest to be at the discount rate of your Bank (at present 1 per cent per annum) on the amount actually advanced.

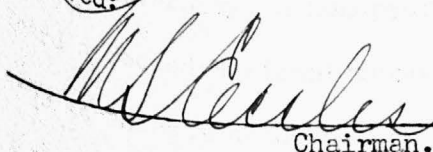
"It is understood that the usual participation will be offered to the other Federal Reserve Banks.

"It is understood that your Bank will not renew the \$5,000,000 loan maturing November 20, 1946 nor, if requested, the \$3,000,000 loan maturing December 20, 1946. It is further understood that the present intention of your Bank is not to consider favorably any request for a further renewal in February 1947 of the present extension of the November 6, 1946 maturity."

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.