

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, January 16, 1947.

PRESENT: Mr. Eccles, 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 December 26, 1946, Mr. Vardaman was absent on official business.

Letter to Colonel R. J. Williamson, Officer in Charge, Executive Office, Arlington National Cemetery, Fort Myer, Virginia, reading as follows:

"Receipt is acknowledged of your letter of January 8, 1947, inquiring whether the Board would be willing to release Mr. Royal J. Murphy from his position as Marble Mason in this organization for a period of six months in order that his services might be utilized by your office on a full-time basis in removing stains from the marble in the Arlington Memorial Amphitheatre.

"Your request has received careful consideration and because of the problems that the arrangement would create here the Board regrets that it is not in a position to grant Mr. Murphy leave of absence for this purpose. However, the Board would interpose no objection should he desire to sever his connection with the Board in order to undertake the work you have in mind."

Approved unanimously.

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

"Receipt is acknowledged of your letter of January 13, 1947, advising of the various actions taken at the meeting of the Board of Directors held on that day.

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"It is noted that all officers of the Bank were re-appointed for the year ending December 31, 1947, with the exception of the President and First Vice President whose terms are fixed by statute, and that their salaries were fixed for the period January 1, 1947, through April 30, 1947, at the rates which have been approved by the Board of Governors for that period.

"It is also noted that Mr. Alfred C. Neal, Director of Research, has been appointed an officer of the Bank and, accordingly, the Board of Governors approves the payment of salary to Mr. Neal in his official designation at the rate of \$8,000 per annum for the period January 1, to April 30, 1947.

"The Board of Governors also approves the reappointments of Messrs. Carl P. Dennett, Paul A. Draper, Edward M. Graham, Ralph E. Thompson, and J. Colby Lewis as members of the Industrial Advisory Committee for the First Federal Reserve District to serve for terms of one year each beginning March 1, 1947, in accordance with the action taken by the Board of Directors."

Approved unanimously.

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

"In accordance with the request contained in your letter of January 13, 1947, the Board of Governors approves the payment of salary to Mr. F. William Daeuble at the rate of \$4,000 per annum while occupying the position of Supervisor of the Government Coupon Division.

"It is noted from your letter that Mr. Daeuble's assignment is of a temporary nature and it is assumed that when conditions permit he will be assigned to a position having responsibilities and duties commensurate with the salary paid him."

Approved unanimously.

Letter to Mr. Powell, Secretary of the Board of the Federal Reserve Bank of Minneapolis, reading as follows:

"The Board of Governors approves the reappointments of Messrs. Sheldon V. Wood, John M. Bush, C. O. Follett, and Albert L. Miller as members of the Industrial Advisory

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"Committee for the Ninth Federal Reserve District to serve for terms of one year each, beginning March 1, 1947, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Minneapolis, as reported in your letter of January 10, 1947."

Approved unanimously.

Letter to Mr. Maple T. Harl, Chairman of the Federal Deposit Insurance Corporation, reading as follows:

"In accordance with the request contained in your letter of January 6 that our office and field staffs be advised of the program of your Corporation to audit Certified Statements submitted for assessment purposes by insured banks with deposits of \$5,000,000 or more in the States of Illinois and Iowa, copies of your letter have been forwarded to the Federal Reserve Banks of Chicago and St. Louis and circulated among the Board's staff.

"It is noted that the program is being undertaken as an experimental approach to the problem. It is assumed that the Board will be advised as to the results of the experiments so that if the audit program is to be extended, consideration can be given to the program as it pertains to State member banks.

"In the event audits should disclose any cases, of a serious nature, of improper reporting by State member banks it would be appreciated if the situation would be brought to the attention of the Federal Reserve Bank of the District."

Approved unanimously, together with letter to Messrs. Young and Davis, Presidents of the Federal Reserve Banks of Chicago and St. Louis, respectively, reading as follows:

"Enclosed for your information is a copy of a letter dated January 6 from Mr. Harl, Chairman of the F.D.I.C., regarding the plans of the Corporation to audit the Certified Statements filed by insured banks with deposits in excess of \$5,000,000 in the States of Illinois and Iowa in connection with determining the deposit insurance base.

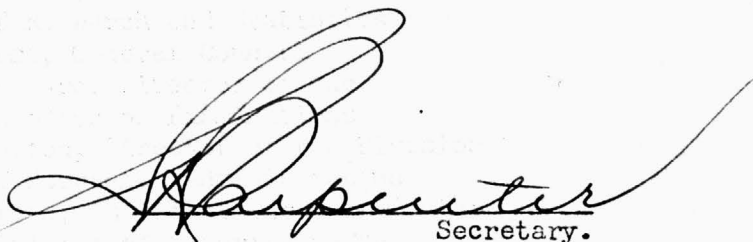
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"In accordance with Mr. Harl's request, we are passing this information on to you in order that you may be advised and that there may be no misunderstandings as to the activities of the Corporation's auditors in connection with this program.

"We understand that the audit of the Certified Statements of the larger banks in the States of Illinois and Iowa is being undertaken as an experiment, results of which would be helpful in considering whether such audits are necessary generally.

"A copy of the Board's reply to Mr. Harl is also enclosed from which you will note that the Corporation is requested to advise the Reserve Bank of any serious cases disclosed of improper reporting by State member banks."


Secretary.

Approved:


Chairman.