

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, February 12, 1947.

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

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on February 11, 1947, were approved unanimously.

Memorandum dated February 10, 1947, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of Miss Gertrude Ellen Trivett as a stenographer in that Division with basic salary at the rate of \$2,020 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 Trivett would become a member of the Federal Reserve retirement system.

Approved unanimously.

Letter to Mr. Davis, President of the Federal Reserve Bank of St. Louis, reading as follows:

"This refers to your letter of February 4, 1947, with further reference to the practice of the United Bank and Trust Company of St. Louis in absorbing costs of shipments of currency made by it to its correspondent banks. You advise that this question was raised with you by other member banks in the area and you would

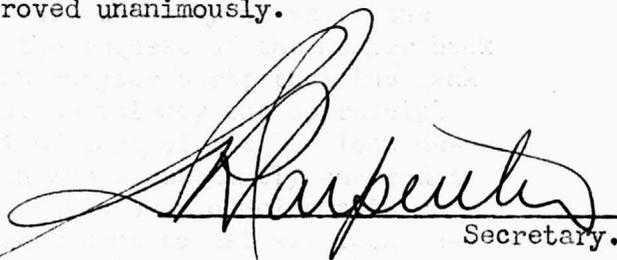
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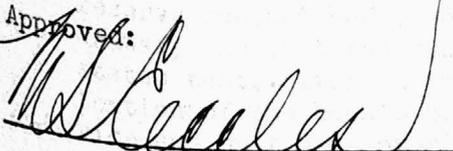
"like to have the Board's view as to the best course to follow.

"As stated in our letter of January 30, 1947, with respect to this matter, it is believed that, while the practice in question may sometimes involve a violation of the spirit of Regulation Q, it would be most difficult in the ordinary case to establish a legal violation on the basis of the available facts. In accordance with its general policy, the Board prefers to rely upon the good faith and cooperation of member banks in adapting their practices to conform to the spirit and purpose of the statutory prohibition against the payment of interest on demand deposits. However, if you should be pressed by any member bank for an answer to this question, we would suggest that, without condoning the practice, you advise that, in the absence of very unusual circumstances, the Board of Governors would not be disposed at this time to take any action with respect to any member bank on the ground that this practice constitutes a payment of interest."

Approved unanimously.


Secretary.

Approved:


Chairman.