

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, March 28, 1947. The Board met in the Board Room at 10:35 a.m.

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

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. Leonard, Director of the Division of Examinations
Mr. Nelson, Director of the Division of Personnel Administration
Mr. Brown, Assistant Director of the Division of Security Loans

Mr. Smead stated that he had been invited by Mr. Bartelt, Fiscal Assistant Secretary of the Treasury, to attend a meeting in his office at 11:00 o'clock this morning at which there would be a discussion of a proposal, referred to at the meeting on February 11, 1947, to transfer the issue and redemption of savings bonds from the branches of Federal Reserve Banks to the head offices as means of reducing costs. Mr. Smead stated that he would like to take the position at the meeting that the Treasury should not disturb the existing relations between Federal Reserve branches and their member banks or the public, but that there would be no

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objection to transferring certain of the internal functions to the head offices, which would effect most of the savings contemplated by the Treasury.

There was a discussion of the efforts made in recent years to have Federal Reserve branches provide greater service to the public, and the members of the Board agreed that, while the concentration of activities at head offices might reduce operating expenses, it would be undesirable to change the services rendered by the branches to their member banks at this time.

After a discussion of the problem in the light of the policy of expanding branch functions and the shifts in personnel which would attend the transfer of functions to the head offices, it was agreed unanimously that (1) Mr. Smead should discuss the matter with Mr. Bartelt along the foregoing lines, and (2) the topic be placed on the agenda for the next meetings of the Chairmen's and Presidents' Conferences.

Mr. Smead left the meeting at this point.

There were presented telegrams to Mr. Whittemore, President of the Federal Reserve Bank of Boston; Mr. Blair, Secretary of the Federal Reserve Bank of Cleveland; Mr. Leach, President of the Federal Reserve Bank of Richmond; Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago; Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis; Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis; Mr. Phillips, Vice

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President of the Federal Reserve Bank of Kansas City; Mr. Gilbert, President of the Federal Reserve Bank of Dallas; and Mr. Volberg, 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 St. Louis and San Francisco on March 26, by the Federal Reserve Banks of Cleveland, Richmond, Chicago, Minneapolis, Kansas City, and Dallas on March 27, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Reference was made to a memorandum from Mr. Leonard dated March 7, 1947, recommending that the 1947 budgets of the bank examination function of the Federal Reserve Banks be approved. The memorandum had been circulated for consideration at this meeting.

There was a discussion of the methods by which the Federal Reserve Banks arrived at their budget estimates, and Mr. Leonard stated that the 1947 budgets submitted appeared reasonable in view of all the information available to the Division of Examinations concerning each Federal Reserve Bank, that there was a difference in the scope of the examination work performed at the several Federal Reserve Banks resulting in substantial variations in their costs, that material progress toward greater uniformity in the

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examination function at the Reserve Banks had been made during recent years, and that the Division of Examinations was continuing its efforts to bring about greater uniformity.

In a discussion of the procedure followed by the Board in considering the examination budgets of the Reserve Banks and the procedure followed by the Budget Bureau in reviewing budgets coming before it, it was agreed that the Board has more complete information on which to base its decisions than is available to the Budget Bureau. There was also a discussion of the differences in the extent and character of the work done by the examination departments at the Banks. Chairman Eccles referred to comments that had come to him recently that the examination policy agreed upon by the three Federal banking agencies in 1928 was not being fully carried out at at least one of the Federal Reserve Banks, and he suggested that the situation be reviewed to determine to what extent the agreement was not being followed.

Mr. Vardaman stated that he had not raised any questions with respect to the proposed examination budgets, but that in view of the wide differences in the activities in the examination departments of the Reserve Banks, he would like to go over the whole matter with Messrs. Clayton and Szymczak when the latter returns from Europe and make a careful study with Mr. Leonard as a basis of recommendations looking toward better standardization of the examination function.

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During the ensuing discussion it was agreed that, since the examination function was a responsibility of the Board, the determination of the scope of the function should be made by the Board rather than by the individual Federal Reserve Banks, that the Board should set a standard for the scope and quality of examination work at all Federal Reserve Banks, and that it should be possible to have a basic standard for judging the costs of the function at all Federal Reserve Banks which could be compared with the costs of examination work performed by the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

Upon motion by Mr. Clayton and in accordance with Mr. Leonard's recommendation, the 1947 budgets for the bank examination function at the Federal Reserve Banks were approved unanimously, as follows, with the understanding that the subject of examination policy would be placed on the agenda for discussion at the next meetings of the Chairmen's and Presidents' Conferences:

Boston	\$ 133,140
New York	515,696
Philadelphia	224,700
Cleveland	208,675
Richmond	187,903
Atlanta	77,400
Chicago	325,435
St. Louis	190,454
Minneapolis	99,965
Kansas City	98,996
Dallas	83,800
San Francisco	<u>188,230</u>
Total	\$2,334,394

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Two drafts of a letter to Mr. James F. Burns, Jr., President, Association of Stock Exchange Firms, New York, prepared for Chairman Eccles' signature in response to a letter received from Mr. Burns under date of March 7, 1947, asking that margin requirements be reduced and that the rule relating to substitutions of securities in undermargined accounts be modified, were then read by the Secretary.

The first draft, which stated in some detail the reasons why the Board did not believe that a further reduction in margin requirements or a change in the "incidental squeeze" should be made at this time, had been circulated among the members of the Board, and Messrs. Vardaman and Clayton had raised questions as to the statements contained in the letter. Mr. Vardaman had indicated that if that letter were sent, he would wish to be recorded as not voting. Mr. Clayton said that he was not fully convinced of the reasoning contained in the draft, and that he had prepared the second and shorter draft which he thought would be an adequate reply.

After a discussion of the reasons stated in the law for changes in margin requirements, upon motion by Mr. Draper, the short draft of reply to Mr. Burns was approved unanimously as follows:

"This is to acknowledge your letter of March 7 with further reference to margin requirements.

"It is true, as your letter affirms, that from several points of view the amount of credit which is now being used to purchase or carry securities is

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"relatively small. From the Board's point of view, however, in the light of present conditions, it does not seem that there would be justification for further action to lower margin requirements or to relax the other rules to which your letter refers. As set forth in my statement of January 17, when the margin requirements were reduced from 100 per cent to 75 per cent, further action will be governed by the 'course of economic events'.

"Please be assured that the Board is giving this question continued study and is mindful of the various points raised in your letter."

Messrs. Parry and Brown withdrew from the meeting at this point.

Consideration was also given to a memorandum from the Personnel Committee dated March 21, 1947, recommending that Mr. Thad Holt, President, Treasurer, and General Manager of Radio Station WAPI, Birmingham, Alabama, be appointed a director of the Birmingham Branch of the Federal Reserve Bank of Atlanta for the unexpired portion of the term ending December 31, 1949, if, in accordance with the usual procedure, it was ascertained that he would accept the appointment if tendered. The memorandum had been circulated among the members of the Board prior to this meeting, and Mr. Vardaman had requested that he be recorded as not voting.

Mr. Vardaman stated that he wanted to make his position clear with respect to Mr. Holt's nomination. He stated that during his membership on the Personnel Committee in the latter part of 1946, Mr. Holt's name, along with others, had been presented to the

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Committee for consideration and that at that time he felt that neither Mr. Holt nor any of the other names submitted were satisfactory and other names were obtained. In the meantime, he said, the membership of the Personnel Committee changed and he was no longer a member, but upon examination of the record he could not find anything which would warrant a change in his original opinion that Mr. Holt was not the type of man for this position, occupying as he did the job as manager of a small radio station and having no other known business connections in the district served by the Birmingham Branch. Mr. Vardaman also stated that he thought it was a bad policy to continue this directorship in the hands of the management of Station WAPI, that Mr. Norton, the director whom Mr. Holt was succeeding, had also been connected with that station, and that, as long as the Board followed the policy of not appointing newspaper publishers to branch bank directorships, he thought it inconsistent to tender such appointment to operators of radio stations. Mr. Vardaman added that he knew Mr. Holt only casually, that he had absolutely no information derogatory of Mr. Holt's character or otherwise, that he was declining to support Mr. Holt for the appointment solely on the basis of the type of business in which he was engaged and the fact that Mr. Holt was not, in his opinion, representative of the outstanding men that should be sought for appointment as branch directors. For these reasons, he said, he had asked to be recorded as not voting.

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There was a discussion of the considerations that should be borne in mind by the Board in selecting directors of Federal Reserve Banks and branches, and Mr. Evans stated that the Personnel Committee had asked for recommendations from Mr. Neely, Chairman of the Federal Reserve Bank of Atlanta, who had recommended Mr. Holt highly and who had reported that Mr. Norton, former director of the Birmingham Branch, also had included Mr. Holt's name in a list of persons he would recommend; that the entire file of names that had been suggested had been examined by Mr. Clayton after he became a member of the Personnel Committee, that Mr. Clayton had obtained additional information concerning Mr. Holt from Mr. Robert Hinckley, formerly Assistant Administrator of the WPA in the Washington Office, who knew Mr. Holt when he was a State director of the WPA in Alabama and Assistant Administrator of WPA in Washington, that Mr. Hinckley recommended Mr. Holt very highly, and that the Personnel Committee had concluded he would be the most satisfactory appointee.

Upon motion by Mr. Evans, the recommendation of the Personnel Committee that Mr. Holt be appointed a director of the Birmingham Branch of the Federal Reserve Bank of Atlanta for the unexpired portion of the term ending December 31, 1949, if, in accordance with the usual procedure,

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it was ascertained that he would accept the appointment if tendered by the Board, was approved, Mr. Vardaman requesting that he be recorded as "not voting".

Chairman Eccles referred to the letters sent on March 25, 1947, to Senators Holland and Ellender and Congressmen Peterson and Boggs relating to the existing statutory limitation on the amounts that could be expended for Federal Reserve branch bank buildings. He then reported that Chairman Wolcott of the House Banking and Currency Committee had informed him that the provision in H. R. 2233 which would have removed the \$250,000 limitation upon expenditures for the erection of any Federal Reserve branch bank building had been eliminated by the Committee because the Committee did not want to appear to give the Federal Reserve Banks a "blank check" on the amounts that could be spent for such buildings, and thus appear to authorize the diversion of construction materials to public buildings at a time when such materials were needed for veterans' housing. He added that Chairman Wolcott said the Committee also recognized the residual interest of the Government in the earnings of the Federal Reserve System and noted that amounts spent on Federal Reserve branch buildings might reduce the income of the Government.

Chairman Eccles went on to say that he had suggested to Chairman Wolcott that a new bill might be prepared which would authorize an expenditure of not to exceed \$10 million over a period

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of two years for buildings which could not be deferred, but that after thinking about the matter further, he (Chairman Eccles) had reached the conclusion, for reasons which he outlined, that it would not be desirable to introduce another bill at this session of Congress, and that information should be gathered relating to space needs at all Federal Reserve Banks and branches, regardless of whether such needs would exceed the \$250,000 statutory limitation, in order that the Board might consider the total System program in terms of buildings, fixed machinery and equipment, and land, so that it would be available if it seemed desirable to present an "omnibus" bill to the next session of Congress.

Chairman Eccles also suggested that the Federal Reserve Banks should be cautioned against developing plans for buildings which might be considered unduly ornate or pretentious, and that they should plan their programs to meet the practical operating needs of the banks on a utilitarian basis.

It was agreed unanimously that Mr. Smead should prepare, for consideration by the Board, a draft of a letter to all Federal Reserve Banks requesting (1) that information relating to their construction program be submitted before the end of this year, and (2) cautioning them to develop plans which would meet their practical operating needs but which would not be considered unduly ornate or pretentious.

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Mr. Carpenter read a draft of a letter to all Federal Reserve Banks relating to the Board's views on officers' salaries, which had been prepared in accordance with the action taken at the meeting of the Board on March 25, 1947.

The letter was discussed and approved unanimously as follows, with the understanding that it would be sent to the Chairmen, with copies to the Presidents, of the Federal Reserve Banks:

"In connection with the lists of officers' salaries submitted by some of the Federal Reserve Banks for the coming year the Board has had occasion to review System policies with respect to such salaries in the light of present conditions.

"Since the end of the war there has been a further increase in the cost of living and salaries at the Federal Reserve Banks have been increased to some extent in recognition of that fact. Revised personnel classification plans covering employees below officer rank are being prepared for application at all of the Federal Reserve Banks and one of the Banks has advised the Board that as soon as that task is completed it is planned to bring up to date the evaluation of official positions at the Bank, which may involve further adjustments either upward or downward in salary scales. Other Federal Reserve Banks will probably wish to follow a similar procedure and the Board of Governors feels that it would be desirable at this time to give the directors of the Federal Reserve Banks the benefit of its current thinking in the matter.

"As has been stated before, the Board, because of the special nature of the Federal Reserve organization, occupies much the same relation to Congress with respect to the Reserve Banks as the Civil Service Commission, the Budget Bureau, and the Comptroller General occupy with respect to agencies of Government that operate under Congressional appropriations. That this is true is more evident when it is realized that the surplus of the Federal Reserve Banks belongs to the Government in case of liquidation. The Federal Reserve System has

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"much greater latitude in expenditures, including salaries, than would be the case under budgets approved by the Budget Bureau and appropriations made by Congress. The existing flexibility has great advantages that are appreciated not only by the Reserve Banks and the Board but also to some extent by the various agencies of the Government, particularly the Treasury, which have been the beneficiaries of these advantages. This relative freedom emphasizes the responsibility of the Board of Governors as well as the directors of the Banks for exercising such supervision and restraint as may be necessary to protect the System's present autonomy. The Board's letter of February 4, 1947 (S-958), with respect to the resumption of a budget procedure at the Federal Reserve Banks, stated that, as the agency of Government charged with responsibility for general supervision of the Reserve Banks, the Board should be able to demonstrate whenever necessary that it is in a position to and does adequately supervise expenditures of the Reserve Banks for salaries and other purposes.

"The relationship between the Congress on the one hand and the Board and the Federal Reserve Banks on the other is particularly important at the present time when the question of the earnings of the Federal Reserve Banks is of immediate concern to the Congress and steps are under consideration for channeling excess earnings into the Treasury. Whether that is done by an interest charge on Federal Reserve notes or by some other method, Congress will have a special interest in the earnings of the System and in the salaries paid by the Banks.

"For reasons which have been discussed on numerous occasions in the past, it is the view of the Board that there are substantial differences between the responsibilities of officers of Federal Reserve Banks and officers of commercial banks which must be taken into account in fixing Federal Reserve Bank salaries. In the first place, operating officers of the Reserve Banks do not have to solicit business or compete with other similar institutions in order to continue in existence and maintain or improve their relative position in the community. They are not under the pressing necessity of looking for sound loans or investments and reviewing them constantly for the purpose of making earnings sufficient to pay expenses and dividends to stockholders.

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"They are not ordinarily affected by changes in management which sometimes happen to commercial banks due to dissatisfaction among stockholders or the competition of conflicting interests to gain control, nor are they subject to the risk of loss of status or position as the result of mergers or consolidations such as frequently take place in commercial institutions. Finally, the Federal Reserve Banks generally have carried their personnel through depressions with comparatively small curtailments of salary and in some instances with increases in salary so that the Federal Reserve Banks have relatively greater security and stability of income than officers of commercial banks.

"Furthermore, because of the public character of the Federal Reserve Banks, they cannot be expected to compete with salaries paid to executives by large commercial banks and private industry. On the other hand, it is believed that Congress has recognized and approved as an established policy the practice that has been followed in the past of fixing salaries of the principal officers of the Federal Reserve Banks at a higher level than those in the regular departments and agencies of the Government and that this practice can be justified and should be continued.

"At the present time, however, the Congress has not shown any disposition to increase salaries of officers of the executive departments and agencies of the Government and in most cases these are limited to \$10,000 per annum. This is true notwithstanding the substantial increase in the cost of living and the loss of qualified people to the Government service because of low salaries. The Board questions the desirability of that policy and feels that the level of official salaries in Government should be increased. It believes, however, that as long as the Government evidences a policy of reducing expenditures wherever possible and of not increasing official salaries to meet the cost of living, the Board as the agent of Congress would not be justified in approving further general increases in the salaries of officers at the Federal Reserve Banks which are at a level in excess of \$10,000 because of higher living costs or because of a higher level of salaries in commercial banks and industry generally. It also believes that increases in salaries above that figure should be approved only in the relatively few cases where the officer has been given increased responsibility in a new

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"position or the quality of his services in the position which he occupies is such that his salary should be raised in order to prevent inequities in relation to salaries paid other officers. In that connection it should be stated that there have been cases where an individual had developed in a particular position to a point where his services were believed to be worth more than he was receiving, but where a larger salary for the responsibilities of the position was not justified and the salary could not be increased without getting it out of line with other salaries in the Bank or in the System. In such cases, if there is no vacancy in which the abilities of the officer can be used to greater advantage, the Reserve Bank may not be able to hold him unless he is interested in the System as a career and in the greater security provided by Reserve Bank employment and the benefits of an adequate retirement system.

"It has been suggested from time to time that the Board adopt a classification plan for the officers of the Federal Reserve Banks which would provide a guide to be used by the directors and the Board in determining salaries. The Board is studying this matter and hopes that before the annual review is made of official salaries in 1948 such a plan can be put into effect. A statement with respect to the plan might be included in the Board's annual report so that if Congress was not satisfied with the manner in which the Federal Reserve Banks and the Board were handling salary matters it could take whatever action seemed to it to be desirable in the circumstances.

"The Board will be glad if you will read this letter at the next meeting of the board of directors of your Bank and supplement it with such additional comments as you may wish to make in order that the directors may be fully acquainted with the reasons for the Board's position.

"The Board wishes to assure your directors that it does not want to act arbitrarily on the important matter of salaries or to fail to take into account any points that should have consideration. It does believe, however, that the factors upon which decisions must be based are much broader than the salaries paid officers of commercial banks and industry generally, the value of the services of an individual officer to the Federal Reserve Bank, or the danger of an officer being attracted elsewhere by a higher salary, and that one of the primary considerations that

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"must always be borne in mind is the public character of the Federal Reserve Banks and their relation to the Congress and its policies with respect to expenses including salaries.

"As you know, under a procedure established in 1939, the Federal Reserve Banks of New York and Chicago submit in March of each year salaries proposed by their directors for officers for the year beginning April 1; the Federal Reserve Banks of Boston, Philadelphia, Cleveland, and San Francisco submit in April proposed salaries of officers for the year beginning May 1; and the remaining Banks submit in May proposed salaries of officers for the year beginning June 1. The procedure contemplates that before formal action is taken by the directors on officers' salaries there will be an informal consultation by discussion or correspondence for the purpose of ascertaining the Board's views with respect to actions proposed by the directors and that after such consultation a formal submission will be made. This letter does not suggest any change in that procedure as it is believed it has worked satisfactorily and should be continued.

"A copy of this letter is being sent to the President of your Bank and you may wish to discuss it with him in the light of the discussions at the recent meetings of the Presidents and the Board in Washington."

At this point Messrs. Vest, Leonard, and Nelson withdrew and the action stated with respect to each of the matters herein-after set forth was taken by the Board:

The minutes of actions taken by the Board of Governors of the Federal Reserve System on March 27, 1947, were approved unani-mously.

Memorandum dated March 24, 1947, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that leave without pay be granted to Miss Mary M. Maroney, an economist in that Division, approximately from May 28 to August 22, 1947, for

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the purpose of accompanying her sister to the International Trade and Employment Conference at Geneva, Switzerland, and further recommending that her death benefit insurance under the Federal Reserve retirement system be continued during the period of such absence. The memorandum also stated that Miss Maroney's absence from the office should begin on or about April 7, at which time she would go on annual leave.

Approved unanimously.

Memorandum dated March 25, 1947, from Mr. Bethea, Director of the Division of Administrative Services, recommending that Sidney Washington, a clerk in Mr. Ransom's office, be detailed to the Division of Administrative Services for work in the Duplicating and Mail Section for such time each day as his services are not required by Mr. Ransom, with the understanding that the arrangement would continue until Mr. Ransom had indicated that Washington might be released for full time employment in the Division of Administrative Services.

Approved unanimously.

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

"In accordance with the request contained in your letter of March 24, 1947, the Board of Governors approves the continuation of the temporary assignments of Messrs. Thomas F. Lindsay and Donald J. Morgan for a further period of six months beginning April 1, 1947.

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"This approval is given with the understanding that the salaries paid to Messrs. Lindsay and Morgan while serving in the temporary assignments will not exceed the salaries they would be eligible to receive in the positions they occupied at the time they were given these assignments.

"It is noted from your letter that Mr. William H. Schmidt, who has been serving as an Assistant Shipping Clerk in the Cash Department, will be assigned to a position already existing under your personnel classification plan commensurate with the salary he is receiving, effective April 1, 1947."

Approved unanimously.

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

"This refers further to your letter of March 12, 1947, regarding a question raised by the Bankers Trust Company of New York City, with respect to the eligibility for rediscount by a Federal Reserve Bank of certain notes of the Central Bank for Cooperatives.

"It is understood that the Bankers Trust Company makes loans to the Central Bank for Cooperatives on the 90-day notes of the latter Bank secured by notes executed by the Regional Banks for Cooperatives and by underlying collateral documents. The purpose of such borrowings by the Central Bank is to provide funds with which the Regional Banks may be in a position to finance purchases of tobacco by tobacco cooperative associations in connection with the price support program of Commodity Credit Corporation.

"You state in your letter that, considering the notes of the Central Bank to be commercial paper and assuming their negotiability, you believe that the proceeds may be considered to have been used in carrying or marketing of goods in one of the steps in the process of distribution; and you feel that the only substantial question involved is whether your Bank would be precluded from rediscounting such notes by the provision of section 4(a) of the Board's Regulation A, which prohibits a Federal Reserve Bank from discounting any assets acquired by a member bank from, or bearing the signature or endorsement of a nonmember

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"bank, except with the permission of the Board of Governors of the Federal Reserve System.

"Under section 19 of the Federal Reserve Act the Board of Governors has discretion as to the circumstances under which a member bank may act as the medium or agent of a nonmember bank in applying for or receiving discounts from a Federal Reserve Bank. The Central Bank for Cooperatives and the Regional Banks for Cooperatives, whether or not banks in a technical sense, are not banks in the usual sense and are not of a type which would ordinarily be admitted to membership in the Federal Reserve System. In the circumstances, you are advised that it will not be necessary to obtain the permission of the Board in accordance with the procedure prescribed by section 4 of Regulation A in order to render the notes in question issued by the Central Bank for Cooperatives eligible for rediscount by a Federal Reserve Bank, assuming, of course, that such notes otherwise comply with the requirements of the law and Regulation A as to eligibility."

Approved unanimously.

Letter to the Presidents of all the Federal Reserve Banks

reading as follows:

"In view of the revision of the weekly member bank condition report, Form F. R. 416, of which you were advised in the Board's letter of March 7, 1947, the Board's weekly member bank press statement will be changed beginning with the statement as of Wednesday, April 2, 1947, as follows:

1. The caption 'Interbank deposits' will be changed to "Interbank demand deposits"; the amount of interbank time deposits (\$46 million on March 19) will be included in the present item 'Time deposits'; and the statement for the week ending April 2, 1947 will carry a footnote appended to the caption "Interbank demand deposits" reading 'Interbank time deposits, \$__ million on April 2, are included in time deposits'.

In the Federal Reserve Bulletin (see pages 297 and 299 of the March 1947 issue) the three columns of interbank deposits will be changed to show (1) interbank demand, domestic, (2) interbank demand, foreign, and (3) interbank time.

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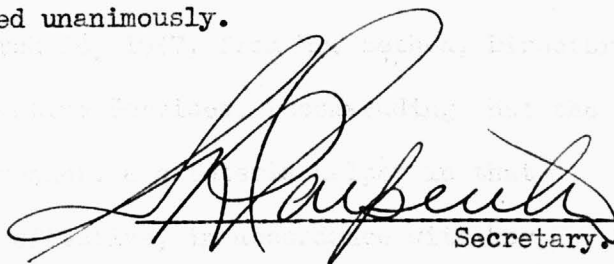
"2. The item 'U. S. bonds (incl. guar. Oblig.)' in the statement of reporting member banks in central reserve cities will be divided into three sub-items, as follows:

U. S. bonds callable or maturing--

Within 1 year	_____
1 to 5 years	_____
After 5 years	_____

"Since comparable figures are not available for past dates, only the total change in United States bond holdings will be shown, bracketed, the first week, and thereafter for a year in the year-ago column."

Approved unanimously.


 Secretary.

Approved:


 Chairman.