

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, August 4, 1947.

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

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

Letter prepared for Chairman Eccles' signature to His Excellency, Salvador Castaneda Castro, President of the Republic of El Salvador, reading as follows:

"I have your letter of July 7, 1947 requesting the services of Mr. Musgrave and Mr. Grove of the Board's staff in connection with a fiscal reform program being undertaken by your Government.

"The Board is very sympathetic with the purposes of this program, and we have given the most serious consideration to your request. To my great regret, however, it will not be feasible for us to spare Mr. Musgrave and Mr. Grove for work on this project at the present time since they are fully occupied with other important tasks. In addition, Mr. Musgrave is shortly leaving the Board to return to university work. In the meanwhile, I understand that there are plans for establishing a National Institute of Economic Studies in your country which might, when organized, undertake studies in this field. Perhaps Mr. Grove or other members of the Board's staff may find an opportunity to collaborate on these or other studies with which the Institute will be concerned."

Approved unanimously.

Letter to Mr. Sheehan, Chief Examiner of the Federal Reserve Bank of New York, reading as follows:

"In accordance with the request contained in your

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"letter of July 31, 1947, the Board approves the designation of the following employees as special assistant examiners for the Federal Reserve Bank of New York:

John P. Armbruster
 Charles Eaton
 Eugene P. Emond
 Joseph P. Gordon
 Eugene M. McGee
 Franklin F. Mittricker, Jr.
 Wallace O. Raubenheimer"

Approved unanimously.

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

"In accordance with the request contained in your letter of July 30, 1947, the Board approves the appointment of A. D. Wilburn, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Atlanta. If the appointment is not made effective August 7, as planned, please advise us."

Approved unanimously.

Letter prepared for Chairman Eccles' signature to Mr. E. F. Bartelt, Fiscal Assistant Secretary, Treasury Department, reading as follows:

"The Board of Governors will be pleased to comply with the request contained in your letter of July 22, 1947, and obtain through the Federal Reserve Banks information concerning the official accounts of Government officers and agencies maintained with State banks that are members of the Federal Reserve System.

"We have been in touch with the Federal Deposit Insurance Corporation and the Comptroller of the Currency, and it is understood that in order that the information obtained from national banks, State member banks, and nonmember insured banks may be uniform, a form will be prepared for use by all three of the bank

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"supervisory agencies. It is also understood that it will meet the requirements of the Treasury if the information is obtained at the time the next call for reports of condition of banks is issued by all three agencies; and we are planning accordingly.

"When the form referred to above is approved, a copy should be sent to Mr. Smead, Director of our Division of Bank Operations, so that the necessary copies can be printed for our use."

Approved unanimously.

Letter prepared for Chairman Eccles' signature to Mr. J. Edgar Hoover, Director, Federal Bureau of Investigation, Department of Justice, reading as follows:

"I am pleased to learn from your letter of July 25, 1947, that protective surveys have been completed by representatives of the Federal Bureau of Investigation at all of the Federal Reserve Banks and their branches. The Board is intensely interested in improving the protective facilities at the Federal Reserve Banks and appreciates greatly the cooperation of your Bureau in undertaking this Protective Service Program. In this connection, we should appreciate receiving when available copies of the individual letters containing recommendations prepared for delivery to and discussion with the appropriate official of each Federal Reserve Bank and branch bank, referred to in the second paragraph of your letter. These would enable us to follow through on the recommendations relating to each bank and branch.

"We especially appreciate your sending with your letter a list of recommendations which might be given consideration by a majority of the Federal Reserve Banks and branches. We shall take these up with all the banks with the intention of obtaining as much uniformity as possible in their adoption.

"You will be interested to know that we have already received favorable comments from some of the Federal Reserve Banks with reference to the surveys made by your representatives."

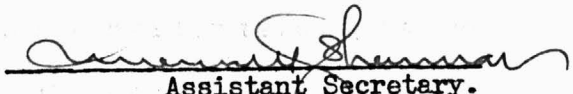
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Approved unanimously, together with a letter to the Presidents of all Federal Reserve Banks reading as follows:

"In our letter of April 18, 1947, it was indicated that arrangements were being made by the Federal Bureau of Investigation to make protective surveys at the Federal Reserve Banks and branches which had not already been visited by representatives of the Bureau. We have now been informed that the surveys have been completed and that individual letters containing recommendations either have been or are being prepared for delivery to and discussion with the appropriate official of each Federal Reserve Bank and branch. In this connection it will be appreciated if you will report to the Board within the next six months or so which recommendations have been or will be adopted, and, as to any which it is not intended to adopt, why it is considered not feasible to do so.

"It is understood that you will be furnished also with a list of recommendations which, in the opinion of the Federal Bureau of Investigation, might be given consideration by a majority of the Federal Reserve Banks and branches. The Board is requesting the Chairman of the Presidents Conference to place on the agenda for the next meeting the question of the advisability of referring these recommendations to a System committee for the purpose of bringing about as much uniformity in their adoption as practicable and the general question of steps that have been and might be taken to assure that adequate and efficient protection will be maintained."


Assistant Secretary.

Approved:


Chairman.