

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, August 26, 1947.

PRESENT: Mr. Szymczak, Chairman pro tem
Mr. Draper
Mr. Evans
Mr. Vardaman

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 August 25, 1947, were approved unanimously.

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

"Enclosed for your information is a copy of a letter addressed by Mr. Charles E. Spencer, Jr., Vice President of the Federal Advisory Council, to Mr. Whittemore, President of the Federal Reserve Bank of Boston, under date of July 7, 1947, in which he suggests that, for the purpose of increasing the attractiveness of Treasury bills for commercial banks, the Federal Open Market Committee each day set a buying rate on bills which would be paid that day by any Federal Reserve Bank. Also enclosed are two memoranda commenting upon the proposal, one prepared by Mr. Roelse, Vice President of the Federal Reserve Bank of New York, and one prepared at the offices of the Board.

"It is likely that this matter will be discussed at the next meeting of the Federal Open Market Committee."

Approved unanimously.

Letter to Mr. Herbert V. Prochnow, Acting Secretary, Federal Advisory Council, c/o First National Bank of Chicago, Chicago 90, Illinois, reading as follows:

"As requested in your letter to Mr. Carpenter dated

8/26/47

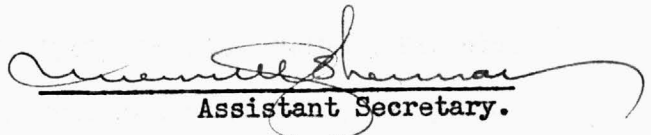
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"August 20, 1947, we have reserved the Blue Room for the luncheon of the Federal Advisory Council on Tuesday noon, September 23. The Board Room will be available for the use of the Council on the afternoon of Monday, September 22, at which time Mr. Thomas is scheduled to speak to the group.

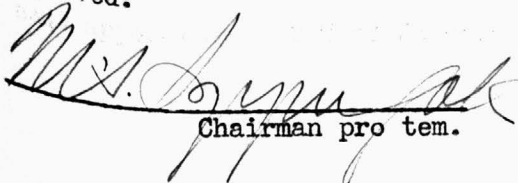
"A few days ago I sent to you copies of a letter from Mr. Charles E. Spencer, Jr., with respect to a proposal on Treasury bill policy on which the Board would like to have the views of the Council. I am now enclosing 15 copies of a letter sent by Chairman Eccles to the Presidents of all Federal Reserve Banks under date of August 6, 1947, reporting upon the legislative situation at the close of the first session of the 80th Congress in so far as matters of interest to the Federal Reserve System were concerned. Chairman Eccles will, of course, be glad to discuss with the Council any of the matters referred to in the letter if they care to have him do so. I believe the Council has received copies of the bill to provide for a partial guarantee of industrial loans (S. 408) and the bank holding company bill (S. 829), as reported by the Senate Banking and Currency Committee. If not, or if you need additional copies, please let us know and we shall get them to you.

"For your information, there is enclosed a copy of a letter mailed direct to the Presidents of all Federal Reserve Banks and members of the Federal Advisory Council under date of August 13, 1947, relating to a plan selected by the Board for designation of reserve cities, to become effective January 1, 1948. The letter suggests that the meeting of the Federal Advisory Council in September will afford an opportunity for discussion of the plan before publication and it is presumed that you will wish to include it on your agenda."

Approved unanimously.


Assistant Secretary.

Approved:


Chairman pro tem.