

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, September 9, 1947.

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

Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser

Minutes of actions taken by the Board of Governors of the Federal Reserve System on September 8, 1947, were approved unanimously.

Memorandum dated September 4, 1947, from Mr. Boothe, Assistant Director of the Division of Administrative Services, recommending the appointment of Hiram H. Florea as a guard in that Division, on a temporary indefinite basis, with basic salary at the rate of \$2,020 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination. The memorandum also stated that it was contemplated that Mr. Florea would become a member of the Federal Reserve retirement system.

Approved unanimously.

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

"In accordance with the request contained in your letter of September 4, 1947, the Board approves the appointments of Charles Eaton and Eugene M. McGee

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"as assistant examiners for the Federal Reserve Bank of New York. Please advise us of the dates upon which the appointments become effective."

Approved unanimously.

Letter to Mr. Williams, President of the Federal Reserve Bank of Philadelphia, reading as follows:

"In your letter of September 5, 1947, regarding the plan of job classification, you indicate that you will have some situations where it will not be advisable to make adjustments in salaries to the minimum of the grade by the end of the year.

"In general, it has been the feeling of the Board that action to increase salaries of employees to the minimum of the grade should not be delayed. However, in the instances where it is not advisable to do so a list of employees whose salaries are below the minimum of their grade as of January 1, 1948 should be submitted to the Board for specific approval, with the reason in each case for deferring the payment of the minimum salary."

Approved unanimously.

Telegram to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"In response to your telephone inquiry to Mr. Nelson, you may advise Mr. Curry that it will be agreeable for him to continue as a director of the Birmingham Branch until the expiration of his term, at the end of this year."

Approved unanimously.

Letter prepared for Mr. Szymczak's signature to Mr. John D. Goodloe, Chairman, Reconstruction Finance Corporation, reading as follows:

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"In the absence of Chairman Eccles, I am replying to your letter of August 25, 1947, inquiring as to whether or not the Board is in accord with your proposal to discontinue your Audit Division's regular examinations of Reconstruction Finance Corporation-Custody Divisions of Federal Reserve Banks and branches, effective with the completion of the engagements now in process.

"It is understood that the nature and number of exceptions disclosed by the examinations made by your Audit Division in previous years evidenced effective internal control in the respective banks and that in view of this, and in conjunction with the reorganization of the accounting system and procedures of the Corporation now under way, your Corporation proposes to discontinue its regular examinations of the Reconstruction Finance Corporation-Custody Divisions of the Federal Reserve Banks. It is further understood that your needs with respect to verifications of these accounts will be met in the future by reports submitted upon request by the Custodian Banks.

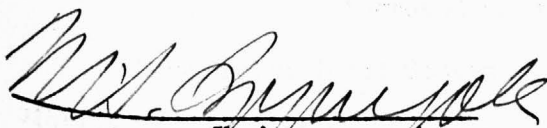
"The Board of Governors interposes no objection to this proposed change in policy and is informing each Federal Reserve Bank accordingly.

"We are pleased to learn of your appreciation of the cooperation which your Corporation has received from the Federal Reserve and of the efficient and conscientious manner in which each Federal Reserve Bank and branch has handled your activities in the past. You may be assured of the System's continued cooperation."

Approved unanimously.


Assistant Secretary.

Approved:


Chairman pro tem.