

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, September 10, 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 9, 1947, were approved unanimously.

Memorandum dated September 9, 1947, from Mr. Sherman recommending that the resignation of Miss Ardith E. Jeffries, a file clerk in the Office of the Secretary, be accepted to be effective, in accordance with her request, at the close of business September 12, 1947, with the understanding that a lump sum payment would be made for annual leave remaining to her credit as of that date.

Approved unanimously.

Memorandum dated August 21, 1947, from Mr. Young, Assistant Director of the Division of Research and Statistics, recommending that the basic salary of Albert O. Hirschman, an economist in that Division be increased from \$5,905.20 to \$6,144.60 per annum, effective September 21, 1947.

Approved unanimously.

Memorandum dated September 8, 1947, from Mr. Boothe, Assistant Director of the Division of Administrative Services,

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recommending, for reasons stated in the memorandum, that the appointment of Mrs. Attie L. Deskin, a charwoman in that Division, be terminated at the close of business September 8, 1947, with the understanding that a lump sum payment would be made for annual leave remaining to her credit as of that date.

Approved unanimously.

Letter to Mr. Maurice S. Brown, Attorney, U. S. Civil Service Commission, reading as follows:

"In accordance with the letter of August 29, 1947 from the Civil Service Commission regarding the valuation to be taken of the Civil Service Retirement and Disability Fund, you are advised that Mr. H. A. Johnson, Personnel Officer, has been designated as the individual responsible for the census at the Board of Governors.

"Mr. Johnson may be reached on Republic 1100, Extension 434."

Approved unanimously.

Letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"In your letter of August 29, 1947, you refer to that provision of the Board's letter of October 30, 1936 (X-9729-b, F.R.L.S. #9092) reading as follows:

'Federal reserve banks or branches should not provide for payroll deductions to take care of an individual's educational expenses, since it is understood that tuition fees may be paid on an instalment basis and that students requiring financial aid may obtain scholastic loans from funds which the chapter has available for the purpose.'

"It is noted that the American Institute of Banking courses in your city are given at the evening school

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"of a local university and that neither through the local A.I.B. chapter nor the university are arrangements available to your employees for paying tuition on an installment basis or for obtaining loans for the purpose. Consequently, it is proposed to use the employees' loan fund, established with the Board's approval, to make such loans, and, for the sake of morale, to extend the same privilege to employees of the branches of your Bank.

"We understand that repayment of all loans made from your loan fund is accomplished through pay roll deductions. In view of this fact and since the proposed plan does not involve the provision of additional facilities for making loans to employees, the Board sees no objection thereto."

Approved unanimously.

Letter to the board of directors of the "Liberty County Bank", Chester, Montana, stating that, subject to conditions of membership numbered 1 to 3 and the following special condition, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Minneapolis:

"4. Such bank shall increase the number of its directors to not less than five, the minimum number required in the case of all member banks under the provisions of Section 31 of the Banking Act of 1933 as amended."

Approved unanimously, together with a letter to Mr. Peyton, President of the Federal Reserve Bank of Minneapolis, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the Liberty County Bank, Chester, Montana, for membership in the Federal Reserve System, subject to the conditions prescribed

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"in the enclosed letter which you are requested to forward to the board of directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Superintendent of Banks for the State of Montana, for his information.

"In connection with condition of membership numbered 4, it has been noted that the bank plans to amend its Articles of Agreement and increase the number of its directors to five, but would like to defer this action until the annual stockholders' meeting in January 1948. With the understanding that the required action will be taken at that time, the Board will not object to the admission of the bank to membership with only three directors."

Telegram to the Presidents of all Federal Reserve Banks

reading as follows:

"Please wire by close of business next Monday, if practicable, in thousands of dollars, amounts of following items from first half 1947 earnings reports for (1) central reserve city, (2) reserve city, and (3) country member banks:

- 1(h) Total current operating earnings
- 2(i) Total current operating expenses
- 3 Net current operating earnings
- 4(e) Total recoveries and profits
- 5(d) Total losses and charge-offs
- 7 Taxes on net income
- 8 Net profits
- (\*) Cash dividends declared on common stock
  - \* Item 13(f) in national bank reports, form 2129;
  - item 9(b) in State member bank reports,
  - form 107b."

Approved unanimously.

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

"We expect to have available for distribution later

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"this year copies of a revised edition of the booklet entitled, 'The Federal Reserve System--Its Purposes and Functions.' The new edition, like the old, is intended to provide a brief and relatively simple but authoritative statement regarding the System. The main discussion is in terms of monetary and credit problems and policies in peacetime, but one chapter will be devoted to the responsibilities of the Federal Reserve in wartime.


"It is planned to send a card to all banks in the United States (including branches of member banks receiving complimentary copies of the Federal Reserve Bulletin), inquiring if a complimentary cloth-bound copy of the booklet is desired. In addition, complimentary cloth-bound copies will be sent to the following: directors of Federal Reserve Banks and branches; Federal Advisory, Industrial Advisory, and Business Advisory Councils; National Bank, State Bank, and Federal Deposit Insurance supervisory officials; Banking and Currency Committees of the House and Senate; foreign central banks; Government officials and offices; deans of schools of business; libraries of educational institutions; public libraries; selected periodicals and newspapers; and a small miscellaneous group. Aside from this initial distribution, furnishing of cloth-bound copies without charge will be limited to (a) Government departments, agencies, and establishments (foreign and domestic, including central banks); (b) libraries and teachers at educational institutions; (c) public libraries; and (d) the press. For others there will be a charge of 75 cents each for one to nine copies and 50 cents each for ten or more copies sent in a single shipment. Paper-bound copies will be distributed without charge upon request."

"It will be appreciated if you will indicate the number of both cloth-and paper-bound copies you wish to receive for use of the staff of your Bank and branches. Also, please advise us as to the number you will require for any other distribution."

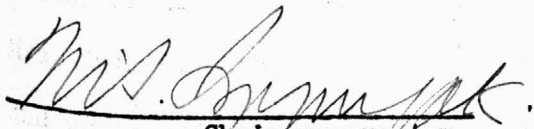
Approved unanimously.

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Assistant Secretary.

Approved:

  
Chairman pro tem.