

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, October 28, 1947.

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

Mr. Carpenter, 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 October 27, 1947, were approved unanimously.

Memorandum dated October 22, 1947, from Mr. Nelson, Director of the Division of Personnel Administration, recommending increases in the basic annual salaries of the following employees in that Division, effective November 2, 1947. The memorandum also recommended the permanent appointment of Miss Betty Crane, now on a temporary indefinite appointment, to be effective the same date:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Ruth A. Westergren	Supervisor, Personnel Records Unit	\$4,024.20	\$4,149.60
Phyllis E. Stewart	Secretary to Mr. Nelson	3,648.00	3,773.40
Margaret C. Huffman	Personnel Clerk	2,845.44	3,021.00
Betty Crane	Clerk-Typist	2,168.28	2,243.52

Approved unanimously.

Telegram to Mr. DeMoss, Vice President of the Federal Reserve Bank of Dallas, reading as follows:

"Reurtel Board extends to November 18, 1947, time within which First State Bank, Junction, Texas, may accomplish membership."

Approved unanimously.

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

"In view of the recommendation contained in your letter of October 21, 1947, the Board of Governors extends to January 2, 1948, the time within which the First State Bank of Greggton, Greggton, Texas, may accomplish membership."

Approved unanimously.

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

"At the recent Conference of Representatives of the Bank Examination Departments of the Federal Reserve Banks there was some further discussion of the following statements made during the war period in connection with which examiners were requested to include comments in reports of examination:

May 7, 1942. Joint statement by the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Board of Governors, in harmony with the part of the President's Special Message to Congress on April 27, which urged the paying off of debts as a restraint upon rising living costs.

June 17, 1942. A statement by Chairman Eccles respecting the use of credit for accumulation of inventories of consumer goods, pursuant to a conference held at the Treasury.

"Since the statements related to the war effort and were based on wartime conditions, the request that comments relating thereto be included in reports of examination of State member banks by examiners for the Federal Reserve Banks is hereby rescinded. (F.R.L.S. #8502 and instructions contained in the Board's telegram of May 8, 1942).

"Certain aspects of the statements, however, may still have some application, such, for instance, as the reference to the accumulation of abnormally large inventories. Elimination of reference to the statements as such in reports of

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"examination should, in no way, prevent criticism, for reasons expressed in the statements, of any item in a bank's loan portfolio or any phase of a bank's policy if such criticism appears warranted under present economic conditions.

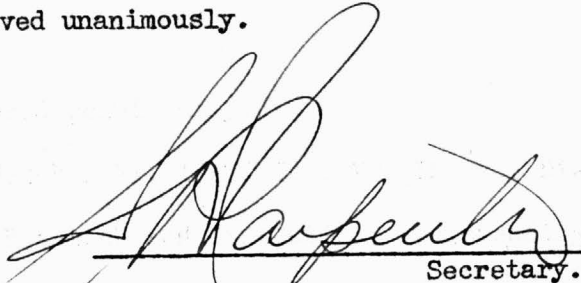
"This matter has been discussed with the Comptroller of the Currency and the Federal Deposit Insurance Corporation and it is understood that examiners for the two agencies will be instructed accordingly. No public announcement is contemplated in connection with these changes."

Approved unanimously.

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

"Your telephone message and wire of yesterday. Following consultation with Treasury and State, Board approves your proposed reply to Bank for International Settlements expressing no objection to credit of one million dollars by that Bank to Banca d'Italia Rome."

Approved unanimously.


Secretary.

Approved:


Chairman.