Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, December 22, 1947.

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

Mr. Carpenter, Secretary
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 December 19, 1947, were approved unanimously.

Memorandum dated December 15, 1947, from Mr. Thomas, Director of the Division of Research and Statistics, submitting the resignation of Miss Anna G. Green as a clerk in that Division, and recommending that the resignation be accepted, effective, in accordance with her request, at the close of business on December 21, 1947, and that appropriate payment be made for any unused annual leave remaining to her credit at that time and that appropriate deductions be made for unliquidated sick leave.

Approved unanimously.

Telegram to Mr. A. Z. Baker, Cleveland Union Stockyards Company, Cleveland, Ohio, reading as follows:

"Board has appointed you Class C Director of Federal Reserve Bank of Cleveland for three year term beginning January 1, 1948, and will be pleased to have your acceptance by collect telegram."

Approved unanimously.
Telegram to Mr. Marshall F. Howell, 1288 Bryden Road, Columbus, Ohio, reading as follows:

"Board of Governors of Federal Reserve System has appointed you director of Jacksonville Branch of Federal Reserve Bank of Atlanta for three year term beginning January 1, 1948, and will be pleased to have your acceptance by collect telegram."

Approved unanimously.

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

"In accordance with the request contained in your letter of December 11, 1947, the Board approves the appointments of Charles L. Carter and Charles H. Reilly, Jr. as assistant examiners for the Federal Reserve Bank of Chicago. Please advise us of the dates upon which the appointments become effective and the salary rates."

Approved unanimously.

Letter to the Honorable Raymond M. Foley, Administrator, Housing and Home Finance Agency, Washington 25, D. C., reading as follows:

"The Board of Governors has considered the draft of a bill, transmitted by Mr. Fitzpatrick to Mr. Chase and Mr. Wood, to limit the eligibility of mortgages or loans for insurance, guaranty, or purchase by a Federal Agency to those cases in which the total obligation of the borrower on account of the transaction does not exceed stipulated amounts.

"The Board agrees with Chairman Eccles' general indorsement of this bill, in his letter of December 9 to the Secretary of the Treasury, as a step in the right direction. The Board questions whether the maximum borrowing to be permitted under the bill should not be lower. It also feels strongly that the Government should go further in the direction of removing inflationary pressures in real estate markets along the lines suggested in the Chairman's letter of December 9 and in his statement of November 25 before the Joint Committee on the Economic Report, copies of which are enclosed. In the absence of such additional limitations on lending, the
"bill may merely increase inflationary pressures in the market for lower-priced houses.

"The Board also agrees that qualified borrowers should be encouraged to have mortgages insured under Title II of the National Housing Act, but questions the wisdom of leaving such mortgages completely outside the operation of the bill, particularly mortgages on old houses. It is suggested that mortgages on new houses under Title II might be exempted, and mortgages on old houses covered, or covered with, say, a $12,000 maximum.

"The Board also calls attention to the fact that Section 1 of the bill contains two statements of policy which are contradictory."

Approved unanimously.

Memorandum dated December 22, 1947, from Mr. Hooff, Assistant Counsel, recommending that there be published in the law department of the January issue of the Federal Reserve Bulletin statements in the form attached to the memorandum with respect to the following subjects:

Reserves
Classification of Reserve Cities
Foreign Funds Control
Treasury Department Releases.

Approved unanimously.

[Signature]
Secretary.

Approved: [Signature]
Chairman pro tem.