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Minutes of actions taken by the Board of Governors of the  
Federal Reserve System on Tuesday, January 13, 1948:

Reserve  
PRESENT: Mr. Eccles, Chairman  
Mr. Szymczak  
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 Fed-  
eral Reserve System on January 12, 1948, were approved unanimously.

Telegram to Mr. Whittemore, President of the Federal Reserve  
Bank of Boston, reading as follows:

"Retel January 12 Board approves effective January  
14, 1948, rates of 1-1/4 per cent on discounts and ad-  
vances under Sections 13 and 13a except advances to in-  
dividuals, partnerships, and corporations other than  
member banks; 2-1/2 per cent on advances to individuals,  
partnerships, and corporations other than member banks  
under last paragraph of Section 13; 1-3/4 per cent on  
advances under Section 10(b); 1/2 to 1-1/4 per cent on  
commitments to industrial or commercial businesses and  
to financing institutions to make discounts or advances  
under Section 13b; and minimum buying rate of 1-1/4 per  
cent on bankers' acceptances. Assume that no commit-  
ment to financing institutions will be granted on a loan  
on which borrower is charged more than 5 per cent. Other-  
wise Board of Governors of the Federal Reserve System ap-  
proves establishment by your Bank, without change, of  
rates of discount and purchase in Bank's existing sched-  
ule, advice of which was contained in your telegram  
dated January 12, 1948. It is noted that rates on ad-  
vances and commitments under Section 13b when guaranteed  
under Regulation V have been eliminated. Board will an-  
nounce change at 3:30 PM, EST."

Approved unanimously.

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Letter to Mr. McCravey, Secretary of the Board of the Federal Reserve Bank of Atlanta, reading as follows:

"The Board of Governors approves the reappointments of Messrs. John E. Sanford, W. W. French, I. C. Milner, George Winship, and Luther H. Randall as members of the Industrial Advisory Committee for the Sixth Federal Reserve District to serve for terms of one year each, beginning March 1, 1948, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Atlanta, as reported in your letter of January 9, 1948."

Approved unanimously.

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

"The Board of Governors approves the reappointments of Messrs. Edward J. Doyle, Walter Harnischfeger, Edwin M. Kerwin, G. Barret Moxley, and James L. Palmer as members of the Industrial Advisory Committee for the Seventh Federal Reserve District to serve for terms of one year each, beginning March 1, 1948, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Chicago, as reported in your letter of January 9, 1948."

Approved unanimously.

Letter to Mr. Caldwell, Federal Reserve Agent of the Federal Reserve Bank of Kansas City, reading as follows:

"In accordance with the recommendation contained in Mr. Leedy's letter of January 10, 1948, the Board approves the payment of salary to Mr. Lee G. Cox, Federal Reserve Agent's Representative at the Oklahoma City Branch, at the rate of \$4,140 effective January 1, 1948 provided this rate of salary is fixed by the Branch Board."

Approved unanimously.

Letter to Mr. Woolley, Vice President and Cashier of the Federal Reserve Bank of Kansas City, reading as follows:

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"In accordance with the request contained in your letter of January 7, 1948, the Board approves the designation of the following employees as special assistant examiners for the Federal Reserve Bank of Kansas City:

John N. Blair  
 D. R. Goyette  
 Vern A. Keithley, Jr.  
 E. A. McCarty  
 Robert R. McCormick

"Appropriate notations have been made in the Board's records of the names reported as deletions."

Approved unanimously.

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

"The Board approves the payment of salary to Mr. T. C. Arnold as Assistant Cashier of the El Paso Branch from January 9, 1948 through May 31, 1948 at the rate of \$4,500 per annum which is the rate fixed by the Board of Directors, as reported in your letter of January 9, 1948."

Approved unanimously.

Letter to the Interim Holding Corporation, 280 Broadway, New York 7, New York, reading as follows:

"This refers to Mr. Proehl's letters of January 2, 1948 and January 9, 1948 with respect to a determination by the Board that the Interim Holding Corporation, 280 Broadway, New York, New York, is not engaged as a business in holding the stock of, or managing or controlling, banks.

"From the information supplied, it appears that the Interim Holding Corporation is a family investment company which owns 10,001 of the 20,000 outstanding shares of stock of The Munsey Trust Company, Washington, D. C., 880 of the 8,000 outstanding shares of stock of The Winthrop Trust Company, New London, Connecticut, and, through a subsidiary, a few shares of stock of certain other banks acquired in liquidation of deposits in closed banks. The Board understands that your corporation does not own or control, directly or indirectly, stock of any other banks, does not manage or control, directly or indirectly, any banking institution other than The Munsey Trust Company, and is not operated for the purpose of managing or controlling banks.

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"In view of these facts, the Board has determined that the Interim Holding Corporation is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of section 2(c) of the Banking Act of 1933, as amended; and, accordingly, your corporation is not a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act.

"However, the Board reserves the right to make a further determination at any time on the basis of the then existing facts and, if there should be such a change in the facts as to indicate that the Interim Holding Corporation might be deemed to be engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, this matter should again be submitted to the Board."

Approved unanimously.

Letter to Mr. Wilbur, Chairman of the Federal Reserve Bank of San Francisco, reading as follows:

"The Board of Governors has received Deputy Chairman Wellman's letter of December 9, 1947, advising that the report of examination of the Bank made as of October 29, 1947, by the Board's examiners has been presented to the Board of Directors of your Bank and that at the same time the Directors considered a report from your General Auditor who had reviewed the report of examination.

"The Board of Governors has noted with interest the examiner's comments on page 13 of the report of examination relative to the effect of the policy now in force with respect to the frequency of balance sheet audits of branches which would result in but three balance sheet audits of each branch in the two calendar years 1946 and 1947. It is understood that this schedule was adopted due, in part at least, to war-time conditions. The Board feels that consideration might well be given to restoring as soon as practicable the former practice of at least two balance sheet audits of each branch during each calendar year.

"The Board further suggests that the entire audit program with respect to the branches be reviewed in the light of the fact that more than half of the Bank's employees are stationed at the various branches which handle a very substantial volume of work. In the circumstances, it would

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"seem that the audit program should be designed to provide audit protection to the branches comparable in effectiveness to that given the Head Office.

"The Board would appreciate advice as to the views of your Directors regarding these suggestions."

Approved unanimously.

Letter to the Comptroller of the Currency reading as follows:

"It is respectfully requested that you place an order with the Bureau of Engraving and Printing supplementing the order of June 19, 1947, for the printing of Federal Reserve notes of the Federal Reserve Bank of San Francisco in the amounts and denominations stated below:

Denomi- nation	Number of sheets	Amount
\$10	300,000	\$36,000,000
20	200,000	48,000,000"

Approved unanimously.

Letter to Mr. Robert C. Simmons, Campaign Chairman, Police Boys' Club, 261 Constitution Avenue, N. W., Washington 1, D. C. reading as follows:

"The Board of Governors has asked me to reply to your letter of December 31, 1947, in which you request that we solicit the employees of the Board of Governors of the Federal Reserve System for donations to the Police Boys' Club campaign to raise \$125,000.

"In the past it has been the policy of the Board to restrict the solicitation of donations of this kind to national campaigns such as the Community Chest, the American Red Cross, and the "Mile O' Dimes". The reason for this has been that to undertake a wider activity would constantly raise questions as to where the line should be drawn. Therefore, it would not be consistent with our policy actively to solicit employees for donations to the Police Boys' Club.

"As we advised you in our letter of February 17, 1947, our organization is comparatively small and we know that some of the employees of the staff are interested in Police Boys' Club work. Accordingly, if you will send approximately

