

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, February 16, 1948. The Board met in the Special Library at 2:45 p.m.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Board
Mr. Smead, Director of the Division of Bank Operations
Mr. Parry, Director of the Division of Security Loans
Mr. Thomas, Director of the Division of Research and Statistics
Mr. Vest, General Counsel
Mr. Leonard, Director of the Division of Examinations
Mr. Young, Associate Director of the Division of Research and Statistics
Mr. Townsend, Associate General Counsel

Before this meeting the Federal Advisory Council submitted a memorandum covering topics discussed at a separate meeting of the Council on February 15 which were to be reviewed with the Board at a joint meeting to be held at 10:30 tomorrow morning. The Board considered the topics and it was agreed that Chairman Eccles would state the views of the Board substantially along the lines recorded in the minutes of the joint meeting.

There was a further discussion of the practice followed by some large depositors of requesting depository banks to furnish them

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with more detailed information regarding their condition than was given to depositors generally, which matter was discussed at the meeting on February 6, 1948, at which time it was agreed that the Federal Advisory Council should be asked to express its views on the practice at its meeting with the Board tomorrow, and it was suggested that the topic also should be placed on the agenda for discussion with the Presidents at their conference with the Board next week.

In accordance with the foregoing suggestion, unanimous approval was given to the following telegram to Mr. Sproul, Chairman of the Presidents' Conference:

"The Board will appreciate it if you will have the following topic placed on the agenda for the forthcoming meeting of the Presidents' Conference:

"It appears that recently there has been a resumption of the practice of certain large depositors of requesting that the depository banks furnish them more detailed information regarding the condition of the banks than is given to depositors generally. The Board would appreciate it if the Presidents would discuss this matter and advise the Board as to (1) the desirability of the supervisory agencies joining in a statement to banks in their respective jurisdictions which would suggest that banks adopt a practice of not making available to large depositors information which was not given to their depositors generally, (2) what, if any, other action might be taken by the supervisory agencies, and (3) the considerations that should prompt the supervisory agencies in any action that they might take."

There was presented a memorandum dated February 16, 1948, from Messrs. Thomas and Young, Director and Associate Director,

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respectively, of the Division of Research and Statistics, recommending, for the reasons stated in the memorandum, that \$7,000 be added to the Miscellaneous item in the 1948 non-personal budget of that Division for the purpose of supplementary work in connection with the 1948 Survey of Consumer Finances now being conducted for the Board by the Survey Research Center, University of Michigan.

Approved unanimously.

At this point Messrs. Smead, Parry, Thomas, Vest, Leonard, Young, and Townsend withdrew and the action stated with respect to each of the matters hereinafter set forth was taken by the Board:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on February 13, 1948, were approved unanimously.

Letter to Mr. Strathy, Secretary of the Federal Reserve Bank of Richmond, reading as follows:

"The Board of Governors approves the reappointments of Messrs. J. G. Holtzclaw, Walker D. Stuart, Overton D. Dennis, William L. Manning and John L. Whitehurst as members of the Industrial Advisory Committee for the Fifth 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 Richmond, as reported in your letter of February 12, 1948."

Approved unanimously.

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Memorandum dated February 11, 1948, from Mr. Horbett, Assistant Director of the Division of Bank Operations, recommending that the Board authorize release of the figures covering 1947 member bank earnings and also the release of a press statement, a proposed text of which was included with the memorandum.

Approved unanimously.


Secretary.

Approved:


Chairman pro tem.