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Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, March 3, 1948.

PRESENT: Mr. Eccles, Chairman pro tem.
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 Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on March 2, 1948, were approved unanimously.

Memorandum dated March 2, 1948, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the resignation of Miss Anne W. Johnson, a clerk in that Division, be accepted to be effective, in accordance with her request, at the close of business March 5, 1948, 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. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"In accordance with the recommendation in your letter of February 4, 1948, the Board has changed the classification of member banks in your district for the purpose of electing Class A and Class B directors so that Group 1 will consist of banks with capital and surplus of \$1,500,000 and over, Group 2

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"of banks with capital and surplus of \$300,000 to \$1,499,999, and Group 3 of banks with capital and surplus of less than \$300,000."

Approved unanimously.

Letter to Mr. Brainard, Federal Reserve Agent of the Federal Reserve Bank of Cleveland, reading as follows:

"In accordance with the request contained in your letter of February 26, 1948, the Board of Governors approves the appointment of Mr. James K. Armstrong as Alternate Assistant Federal Reserve Agent at his present salary of \$4,250.

"This approval is given with the understanding that Mr. Armstrong will be placed upon the Federal Reserve Agent's pay roll and will be solely responsible to him or, during a vacancy in the office of the Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties as Alternate Assistant Federal Reserve Agent he may, with the approval of the Federal Reserve Agent or, during a vacancy in the office of the Federal Reserve Agent, of the Assistant Federal Reserve Agent, and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent.

"Mr. Armstrong should execute the usual oath of office which should be forwarded to the Board of Governors together with advice as to the effective date of his appointment."

Approved unanimously.

Letter to Mr. Hitt, First Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

"Reference is made to the reports on the number, classification, and salaries of employees requested in the Board's letter of December 11, 1947, and submitted with your letter of January 13, 1948.

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"A review of the reports indicates that the salaries of all employees conform to the schedule approved for your Bank and Branches under the Plan of Job Classification and Salary Administration, with certain exceptions previously approved by the Board and the salaries of those employees indicated below.

"In view of the circumstances described in your letter, the Board of Governors approves the payment of salaries to Elmer H. Witte, Edward Bujewski, Dorothy Levin, and Laura B. Deckert, at rates below the minimums of their respective grades for a period not exceeding nine months from January 1, 1948.

"The Board of Governors also approves, for the month of January 1948, the payment of salaries to Anna E. Diviky and Montez B. Card, currency sorters at the Head Office and the Memphis Branch, respectively, at rates below the minimum of their grade."

Approved unanimously.

Letter to Mr. Koppang, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"Reference is made to your letter of February 28, 1948, advising of advance in rates for hospital and surgical benefits and the desire to make available in-hospital medical care to employees at the Denver Branch.

"The Board approves the payment by your Bank of two-thirds of the cost of the hospital and surgical benefits under the Blue Cross program at the Denver Branch, as proposed in your letter of February 28, 1948."

Approved unanimously.

Letter prepared for Chairman Eccles' signature to Mr. Elmer B. Staats, Assistant Director, Legislative Reference, Bureau of the Budget, Old State Building, reading as follows:

"This will acknowledge receipt of your letters of February 16 and February 20, 1948, transmitting

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"drafts of legislation to amend the National Housing Act, prepared by the Housing and Home Finance Agency. Members of the Board's staff discussed this matter with members of the staff of the Budget Bureau and, in accordance with the Board's instructions, expressed opposition to certain aspects of the proposed legislation because of its inflationary effects. However, the President's special message to implement the program has now been sent to Congress and, since the program has already been recommended, further expression of the Board's views at this time would serve no purpose."

Approved unanimously.


Secretary.

Approved:


Chairman pro tem.