

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, March 18, 1948.

PRESENT: Mr. Szymczak, Chairman pro tem.
Mr. Draper
Mr. Evans
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 17, 1948, were approved unanimously.

Memorandum dated March 10, 1948, from the Personnel Committee submitting a Statement of Personnel Policy and recommending that the statement be approved.

Approved unanimously.

Memorandum dated March 17, 1948, from Mr. Thomas, Director of the Division of Research and Statistics, recommending an increase in the basic salary of Ernest C. Olson, an economist in that Division, from \$4,525.80 to \$4,776.60 per annum, effective March 21, 1948.

Approved unanimously.

Memorandum dated March 15, 1948, from Mr. Thomas, Director of the Division of Research and Statistics, recommending increases in the basic annual salaries of the following employees in that Division, effective March 21, 1948:

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<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Alfred Sherrard	Economist	\$7,102.20	\$7,341.60
M. Elva Morse	Clerk	2,394.00	2,469.24
Helen B. Arnold	Clerk	2,168.28	2,243.52
Dorothy V. Wright	Clerk-Typist	2,243.52	2,318.76

Approved unanimously.

Memorandum dated March 15, 1948, from Mr. Leonard, Director of the Division of Examinations, recommending that Fred A. Dons, an Assistant Federal Reserve Examiner in that Division, be promoted to the position of Federal Reserve Examiner, that his salary be increased from \$4,400.40 to \$4,902.00 per annum, and that his official headquarters be changed from Chicago, Illinois, to Washington, D. C., all effective May 2, 1948. The memorandum also recommended that Mr. Dons be reimbursed for the expense of bringing his family and his furniture from Chicago to Washington.

Approved unanimously.

Memorandum dated March 12, 1948, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of Mrs. Julianne I. Ayers as a cafeteria helper in that Division on a part-time (four-hour day) basis with basic salary at the rate of \$1,010 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination. The memorandum also stated

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that it was contemplated that Mrs. Ayers would become a member of the Federal Reserve retirement system.

Approved unanimously.

Memorandum dated March 16, 1948, from Mr. Bethea, Director of the Division of Administrative Services, stating that Harry C. Taylor, a cafeteria helper in that Division, had applied for retirement on account of disability under the Board's Retirement Plan, beginning April 1, 1948, and recommending that he be separated from service at the close of business March 31, 1948, that proper payment be made for annual leave remaining to his credit as of that date, and that a special payment be made to him in an amount equivalent to four weeks' pay as a separation allowance.

Approved unanimously.

Memorandum dated March 17, 1948, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the resignation of Lee Ratliff, a laborer in that Division, be accepted to be effective, in accordance with his request, at the close of business March 19, 1948, with the understanding that a lump sum payment would be made for annual leave remaining to his credit as of that date.

Approved unanimously.

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

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"In order to have adequate and up-to-date information for possible presentation to Congress at the hearings of the Joint Committee on the Economic Report, scheduled for the early part of April, further tests of effects on individual banks of alternative reserve proposals are desirable. The System Committee on Banking and Credit Policy has been asked to cooperate in planning and analyzing these tests, in continuation of work which this Committee has already done on the subject.

"The reserve proposals to be tested are: a straight increase in reserve requirements, the special reserve proposal, and the proposed uniform reserve requirement (by kind of deposit) for all member banks. For purposes of the tests, each Federal Reserve Bank will need to transcribe, compute, and transfer to punch cards certain selected call report items and ratios for about 15 per cent of its members--a total of 1,000 for the entire System. Copies of instructions for the compilation work and of the work forms to be used will be mailed shortly to your Research Department. The cards will be sent to the Board's Division of Research and Statistics for tabulation on a national basis.

"Any staff questions concerning this program and its execution may be directed to the Board's Division of Research and Statistics."

Approved unanimously.

Letter to Mr. Delos J. Needham, General Counsel, American Bankers Association, 719-15th Street, N. W., Washington 5, D. C., reading as follows:

"We appreciate having had an opportunity to review the revised draft of your proposed bill to permit national banks to convert into or consolidate with State banks which was transmitted with your letter of March 1, 1948.

"We have no suggestions to offer concerning the form of the proposed bill, except that it would appear more appropriate, and we would prefer, that the amendment to section 9 of the Federal Reserve Act be placed at the end of that section rather than inserted following the first paragraph.

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"You will recall that in its letter of December 5, 1947, the Board advised you that, if the Comptroller of the Currency had no objection to the legislation, the Board was prepared to endorse legislation to permit national banks to convert into or consolidate with State banks, subject to the condition, however, that those interested in such legislation would agree to lend their support to legislation to eliminate statutory requirements which result in unfair discrimination against national banks and State member banks with respect to the establishment of branches. The Board will continue to expect support for legislation to correct this inequitable situation regarding branches."

Approved unanimously.

Memorandum dated March 18, 1948, from Mr. Hooff, Assistant Counsel, recommending that there be published in the law department of the April issue of the Federal Reserve Bulletin a statement in the form attached to the memorandum with respect to the following subject:

Suit Regarding Condition of Membership
Peoples Bank v Eccles, et al.

Approved unanimously.


Secretary.

Approved:


Chairman pro tem.