

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, May 24, 1948.

PRESENT: Mr. McCabe, Chairman
 Mr. Eccles
 Mr. Szymczak
 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 May 21, 1948, were approved unanimously.

Minutes of the meeting of the Board of Governors of the Federal Reserve System with the Presidents of the Federal Reserve Banks on May 21, 1948, were approved unanimously.

When Messrs. Riefler and Bopp took to Senator Taft's office the letter approved by the Board at the joint meeting of the Presidents and the Board on May 21, 1948, with which was submitted a memorandum of the study made with respect to a proposal for uniform reserve requirements for all member banks, they were asked by Mr. Hardy, Staff Director of the Joint Committee on the Economic Report, to testify before the Committee in executive session on the possible effects of the proposal as outlined in the memorandum. Today Chairman McCabe received a telephone request that they testify in an open meeting of the Committee and, after the matter was discussed

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informally with the individual members of the Board who were available this afternoon (Messrs. McCabe, Eccles, Szymczak, Evans, and Clayton), it was agreed unanimously that Messrs. Thomas, Riefler, and Bopp should present the matter before the Committee in somewhat the same manner as it had been presented to the Board of Governors and the Presidents' Conference.

Memorandum dated May 17, 1947, from Miss Loverne Templeton, a stenographer in Mr. Szymczak's office, requesting that a determination be made as to the responsibility for payment of a \$15 fee for an X-ray ordered on March 30, 1948, by Dr. C'Keefe in connection with her physical examination for employment by the Board, upon which Mr. Szymczak suggested that the fee be paid by the Board.

Approved unanimously.

Memorandum dated May 17, 1948, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the resignation of J. Burke Knapp, Assistant Director of that Division, be accepted to be effective, in accordance with his request, at the close of business May 23, 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.

Memorandum dated May 17, 1948, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment

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of Glenn B. Hopkins as a painter in that Division, on a temporary basis for a period of three months, with basic salary at the rate of \$2,694.96 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination. The memorandum also stated that it was not contemplated that Mr. Hopkins would become a member of the Federal Reserve retirement system during the period of his temporary employment.

Approved unanimously.

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

"This refers to your letter of May 14, 1948, submitting a question as to whether United States Savings Bonds, Series G, may be considered 'readily marketable securities' within the meaning of section 17(c)(5) of Regulation F, and the footnote thereunder.

"In a letter dated January 16, 1948, the Board replied to a similar inquiry, made on behalf of a member bank, and there is quoted below the pertinent paragraph of that letter:

'Series F and G United States Savings Bonds were not being issued by the Government when Regulation F was amended in 1937 to authorize common trust funds. If these bonds had been in existence at that time, consideration undoubtedly would have been given to the inclusion of a provision specifically providing that they should be treated as readily marketable securities. The regulation does not now contain such a provision and, in view of the terms of these bonds, there is considerable question whether, as a technical matter, they may be regarded as readily marketable securities, as that term is presently defined by the regulation. However, we have not had previous

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'occasion to consider this question and action in the matter does not appear necessary because it seems most unlikely that over 60 per cent of the assets of a common trust fund would consist of United States Savings Bonds and securities which are not clearly readily marketable.'

"The Board's ruling of November 8, 1939 (F.R.L.S. #4134) to which you refer, does not apply here, as it relates only to the provisions of section 9(b) of Regulation F. For your information, however, it is probable that a number of changes in Regulation F may be considered in the near future, including a provision recognizing Series G bonds as readily marketable securities for the purposes of section 17(c)."

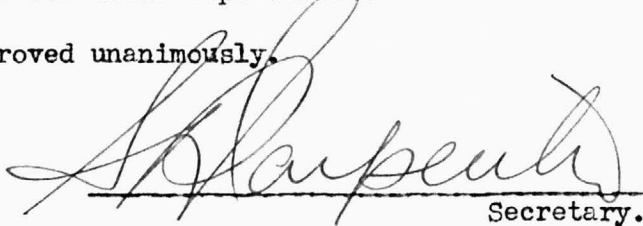
Approved unanimously.

Letter to Mr. Fletcher, First Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

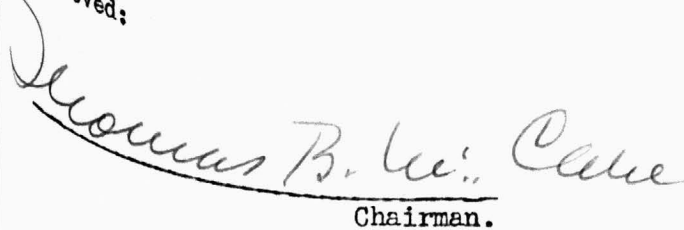
"This refers to your letter of May 17, 1948, in which you request authority to expend approximately \$57,600 for the removal of exterior casement windows and doors on the tenth floor of the main office building and for replacing them with Sealuxe double hung windows and casement doors and transoms.

"Since as you state in your letter the casement windows and doors to be removed are so rusty and deteriorated as to constitute a serious hazard, the Board will interpose no objection to the expenditure of approximately \$57,600 for their replacement."

Approved unanimously.


Secretary.

Approved:


Chairman.