

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, August 12, 1948.

PRESENT: Mr. McCabe, Chairman  
 Mr. Eccles  
 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 August 11, 1948, were approved unanimously.

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

"Retel August 11, Board approves effective August 13, 1948 rates of 1-1/2 per cent on discounts and advances under Sections 13 and 13a except advances to individuals, partnerships and corporations other than member banks under last paragraph of Section 13; 2 per cent on advances under Section 10(b); 1/2 to 1-1/2 per cent on commitments to industrial or commercial businesses and to financing institutions to make discounts and advances under Section 13b; minimum buying rate of 1-1/2 per cent on bankers' acceptances; and buying rate of 1-1/2 per cent on Government securities under resale agreement as authorized by Federal Open Market Committee. Assume that no commitment under Section 13b to financing institutions will be granted on loans on which borrower is charged more than 5 per cent. Otherwise Board approves establishment without change of the rates of discount and purchase in your existing schedule, advice of which was contained in your telegram dated August 11. Board will announce change at 3:30 p.m. EDT today."

Approved unanimously.

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Telegram to Mr. Treiber, Secretary of the Federal Reserve  
Bank of New York, reading as follows:

"Retel August 12, Board approves effective August 13, 1948, rates of 1-1/2 per cent on discounts and advances under Sections 13 and 13a except advances to individuals, partnerships and corporations other than member banks under last paragraph of Section 13; 2 per cent on advances under Section 10(b); minimum buying rates of 1-1/2 per cent on bankers' acceptances and on trade acceptances; and buying rate of 1-1/2 per cent on Government securities under resale agreement as authorized by Federal Open Market Committee. Otherwise Board approves establishment without change of the rates of discount and purchase in your existing schedule, advice of which was contained in your telegram dated August 12. Board will announce change at 3:30 p.m. EDT today."

Approved unanimously.

Telegram to Mr. Blair, Secretary of the Federal Reserve  
Bank of Cleveland, reading as follows:

"Retel August 12, Board approves effective August 13, 1948, rates of 1-1/2 per cent on discounts and advances under Sections 13 and 13a except advances to individuals, 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; and 2 per cent on advances under Section 10(b). Otherwise Board approves establishment without change of the rates of discount and purchase in your existing schedule, advice of which was contained in your telegram dated August 12. Board will announce change at 3:30 p.m. EDT today.

"Board feels that minimum buying rate on bankers' acceptances and buying rate on Government securities with resale agreement should not in times like the present be below discount rate on eligible paper. It

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"is suggested therefore that at the next meeting of your directors present buying rates of 1-1/4 per cent be increased accordingly."

Approved unanimously.

Telegram to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"Retel August 11, Board approves effective August 13, 1948, rates of 1-1/2 per cent on discounts and advances under Section 13 and 13a except advances to individuals, partnerships and corporations other than member banks under last paragraph Section 13; 2 per cent on advances under Section 10(b); rate charged borrower less commitment rate on portion of advances to financing institutions under Section 13b for which financing institution is obligated and rate charged borrower on remaining portion of such advances; and minimum buying rate of 1-1/2 per cent on bankers' acceptances. Otherwise Board approves establishment without change of the rates of discount and purchase in your existing schedule, advice of which was contained in your telegram dated August 11. Board will announce change at 3:30 p.m. EDT today."

Approved unanimously.

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

"Retel August 12, Board approves effective August 13, 1948 rates of 1-1/2 per cent on discounts and advances under Sections 13 and 13a except advances to individuals, partnerships and corporations other than member banks; 2-3/4 per cent on advances to individuals, partnerships and corporations other than member banks under last paragraph of Section 13; 2 per cent on advances under Section 10(b); minimum buying rate of 1-1/2 per cent on bankers' acceptances; and buying rate of 1-1/2 per cent on Government securities under resale agreement as authorized by

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"Federal Open Market Committee. Otherwise Board approves establishment without change of the rates of discount and purchase in your existing schedule, advice of which was contained in your telegram dated August 12. Board will announce change at 3:30 p.m. EDT today."

Approved unanimously.

Telegram to Mr. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, reading as follows:

"Retel August 12, Board approves effective August 13, 1948, rates of 1-1/2 per cent on discounts and advances under Sections 13 and 13a except advances to individuals, partnerships and corporations other than member banks under last paragraph of Section 13; and 2 per cent on advances under Section 10(b). Otherwise Board approves establishment without change of the rates of discount and purchase in your existing schedule, advice of which was contained in your telegram dated August 12. Board will announce change at 3:30 p.m. EDT today.

"Board feels that minimum buying rate on bankers' acceptances should not in times like the present be below discount rate on eligible paper. It is suggested, therefore, that at the next meeting of your directors present minimum buying rate of 1-1/4 per cent on bankers' acceptances be increased accordingly."

Approved unanimously.

Telegrams to Messrs. Gilbert and Leach, Presidents of the Federal Reserve Banks of Dallas and Richmond, respectively, reading as follows:

"Retel August 12, Board approves effective August 13, 1948, rates of 1-1/2 per cent on discounts and advances under Sections 13 and 13a except advances to individuals, partnerships and corporations other than member banks under last paragraph of Section 13; 2 per cent on advances under Section 10(b); and minimum buying rate of 1-1/2 per cent on bankers' acceptances.

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"Otherwise Board approves establishment without change of the rates of discount and purchase in your existing schedule, advice of which was contained in your telegram dated August 12. Board will announce change at 3:30 p.m. EDT today."

Approved unanimously.

Telegram to Mr. Volberg, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Retel August 11, Board approves effective August 13, 1948 rates of 1-1/2 per cent on discounts and advances under Sections 13 and 13a except advances to individuals, partnerships and corporations other than member banks under last paragraph of Section 13; and 2 per cent on advances under Section 10(b). Otherwise Board approves establishment without change of the rates of discount and purchase in your existing schedule, advice of which was contained in your telegram dated August 11. Board will announce change at 3:30 p.m. EDT today.

"Board feels that minimum buying rate on bankers' acceptances and buying rate on Government securities with resale agreement should not in times like the present be below discount rate on eligible paper. It is suggested therefore that at next meeting of directors present buying rates of 1-1/4 per cent be increased accordingly."

Approved unanimously.

Memorandum dated August 10, 1948, from Mr. Young, Associate Director of the Division of Research and Statistics, recommending that the resignation of Miss Louise Richards, a clerk-typist in that Division, be accepted to be effective, in accordance with her request, at the close of business August 20, 1948, with the understanding that a lump sum payment would be made for annual

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leave remaining to her credit as of that date.

Approved unanimously.

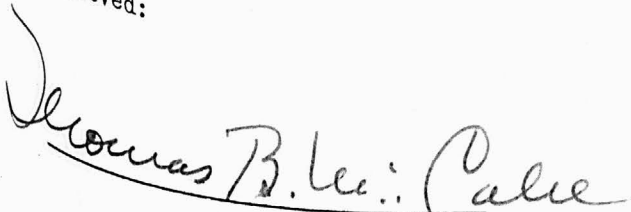
Telegram to Mr. Emilio Abello, Office of the President of the Philippines, Manila, The Philippines, reading as follows:

"Relet August 2 shall be glad to receive Messrs. Dizon and Martinez and assist with studies. Please advise probable date of arrival."

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.