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 Rederal Reserve System on August 11, 1948, were approved unanimously.

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

"Retel August 11, Board approves effective Au-Sust 13, 1948 rates of 1-1/2 per cent on discounts and many 130 except adand advances under Sections 13 and 13a except advances under Sections 13 and corporation Vances under Sections 13 and 13a care.
Vances to individuals, partnerships and corporations
Other +1 other than member banks under last paragraph of Section 13. tion 13; 2 per cent on advances under Section 10(b); 1/2 to 1-1/2 per cent on advances under position or commitments to industrial or commercial businesses and to financing institutions to make Section 13b; minto make discounts and advances under Section 13b; minimum house. imum buying rate of 1-1/2 per cent on bankers' acceptances. ances; and buying rate of 1-1/2 per cent on Government securit. securities under resale agreement as authorized by Federal Open Market Committee. Assume that no commitment up open Market Committee. ment under Section 13b to financing institutions will be grant to the charged more be granted on loans on which borrower is charged more than 5 than 5 per cent. Otherwise Board approves establishment by ment Without change of the rates of discount and pur-chase in the change of the rates of which was chase in your existing schedule, advice of which was contained your existing schedule. Board contained in your telegram dated August 11. Board Will Find today." Will announce change at 3:30 p.m. EDT today."

Approved unanimously.

SER

-2-

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); acceptances and on trade acceptances; and buying rate of 1-1/2 per cent on bankers' of 1-1/2 per cent on Government securities under resale agreement as authorized by Federal Open Market 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 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 to individuals, partnerships and corporations other than member banks; 2-1/2 per cent on advances than member banks under last paragraph of Section 13; and 2 per cent on advances under Section 10(b). Otherates Board approves establishment without change of the advice of which was contained in your existing schedule, August 12. Board will announce change at 3:30 p.m. EDT

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

-3-

"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 to in-Vances under Section 13 and 13a except advances to individuals, partnerships and corporations other than member, partnerships and corporation 13: 2 per member banks under last paragraph Section 13; 2 per cent cent on advances under Section 10(b); rate charged borrower less commitment rate on portion of advances to fine less commitment rate on portion 13h for which to financing institutions under Section 13b for which financing institutions under become borrows institution is obligated and rate charged borrows and analysis and borrower on remaining portion of such advances; and minimum, on remaining portion of such advances; and minimum buying rate of 1-1/2 per cent on bankers' acceptance ceptances. Otherwise Board approves establishment without Without change of the rates of discount and purchase in vous in your existing schedule, advice of which was contained. Roard will tained 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 Re-Serve Bank of Chicago, reading as follows:

"Retel August 12, Board approves effective Auand 13, 1948 rates of 1-1/2 per cent on discounts vances under Sections 13 and 13a except adother than member banks; 2-3/4 per cent on advances to individuals, partnerships and corporations to individuals, partnerships and corporations other than member banks; 2-3/4 per cent on advances than member banks under last paragraph of Section 13; buying cent on advances under Section 10(b); minimum and buying rate of 1-1/2 per cent on bankers' acceptances; curities 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 inder banks, 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 board will approve to the section 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 Rederal Reserve Banks of Dallas and Richmond, respectively, reading as follows:

13, 1948, rates of 1-1/2 per cent on discounts and adindividuals, partnerships and corporations other than cent on advances under last paragraph of Section 13; 2 per ing rate of 1-1/2 per cent on bankers' acceptances.

-5-

"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 Re-Serve 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). Other-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 1.50 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 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 request, at the close of business August 20, 1948, with the Understanding that a lump sum payment would be made for annual

-6-

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.

Approved:

Romas B. Lee