

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, August 16, 1949.

PRESENT: Mr. Eccles, Chairman pro tem.
Mr. Draper
Mr. Clayton

Mr. Carpenter, Secretary
Mr. Hammond, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Board

Memorandum dated August 15, 1949, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the resignation of James R. Robinson, a laborer in that Division, be accepted to be effective, in accordance with his request, at the close of business August 15, 1949.

Approved unanimously.

Memorandum dated August 8, 1949, from Messrs. Bethea, Young, and Horbett, Director of the Division of Administrative Services, Associate Director of the Division of Research and Statistics, and Assistant Director of the Division of Bank Operations, respectively, recommending that the machine tabulation unit of the Division of Administrative Services rent additional equipment at an annual rental of approximately \$8,850 and also recommending that an experienced mechanical planner be employed in the machine tabulation unit, the proposed position to be classified in salary group "S" with a range of \$4,479.60 to \$5,232, or one or two grades higher.

Approved unanimously, with the

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understanding that the appropriate items of the budget of the Division of Administrative Services would be increased to cover the additional expense involved.

Letter to His Excellency Kim Do Yun, Minister of Finance, Seoul, Korea, reading as follows:

"With reference to your letter of June 7, and to our letter of July 11, 1949, I have the pleasure of informing you, in the absence of Chairman McCabe, that this Board has approved the extension of technical assistance to your Government in the fields of banking and currency, and that the Federal Reserve Bank of New York has agreed to make available for this purpose two specialists from its staff.

Dr. Arthur Bloomfield, Chief of the Balance of Payments Division, and Mr. John P. Jensen, Assistant Chief of the Auditing Department of the Federal Reserve Bank of New York, are scheduled to leave for Korea in the latter part of the month. Dr. Bloomfield's primary responsibility will be in the fields of central banking and legislation and monetary and credit policies, while Mr. Jensen will concern himself mainly with problems of the internal reorganization of the Bank of Chosen. Dr. Bloomfield will be available for a period of about six months, while Mr. Jensen may be in a position to stay for a somewhat longer period.

"We understand that the Federal Reserve Bank of New York is completing the necessary arrangements with the Economic Cooperation Administration in relation to Dr. Bloomfield's and Mr. Jensen's travel to and sojourn in Korea."

Approved unanimously.

Letter to the Honorable Emanuel Celler, Chairman of the Committee on the Judiciary, House of Representatives, reading as follows:

"In the absence of Chairman McCabe, I wish to acknow-

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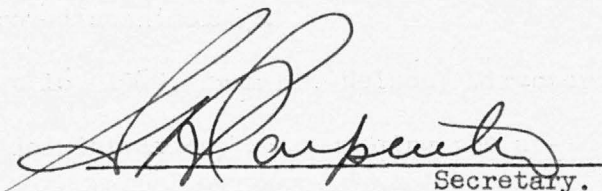
"I acknowledge receipt of your letter of August 5, 1949, requesting an expression of the Board's views on the bill H. R. 5811, which has been referred to your Committee and which would amend section 1007, title 18, United States Code, and add a new subsection (aa) to section 12B of the Federal Reserve Act, as amended.

"The bill would appear to be of principal concern to the Federal Deposit Insurance Corporation, the agency whose activities would be directly affected by the proposed legislation. It is understood that the introduction of similar bills during the 80th Congress was prompted by certain litigation of interest to the Federal Deposit Insurance Corporation. These bills were S. 2817 and H. R. 6853. Both the Federal Deposit Insurance Corporation and the Board submitted adverse reports on S. 2817.

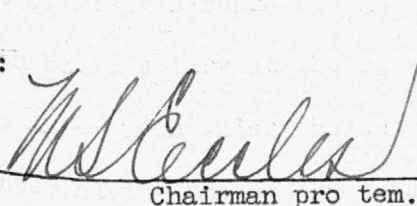
"There is enclosed herewith a copy of a letter dated June 18, 1948, to Senator Charles W. Tobey, then Chairman of the Senate Banking and Currency Committee, in reply to a request for an opinion as to the merits of the bill S. 2817. For the same reasons contained in that letter, the Board is of the opinion that the enactment of H. R. 5811 also would not be desirable.

"Your request for the Board's views is appreciated."

Approved unanimously.


Secretary.

Approved:


Chairman pro tem.