

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, March 23, 1950.

PRESENT: Mr. Szymczak, Chairman pro tem.
Mr. Draper
Mr. Vardaman

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary

Memorandum dated March 20, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending that the resignation of Miss Mary B. Murphy, a clerk-stenographer in that Division, be accepted to be effective at the close of business March 3, 1950.

Approved unanimously.

Memorandum dated March 21, 1950, from Mr. Bethea, Director of the Division of Administrative Services, recommending increases in the basic annual salaries of the following employees in that Division, effective April 2, 1950:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
John Blash	Maintenance Mechanic	\$3,900	\$4,025
Bernard W. Larson	Operating Engineer	3,900	4,025
Elizabeth M. Young	Charwoman	2,470	2,540
Anna M. Utz	Charwoman	2,330	2,400
Benjamin L. Dinkins	Operator (Mimeograph)	2,280	2,360

Approved unanimously.

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

"In accordance with the request contained in your letter of March 20, 1950, the Board approves the appoint-

3/23/50

-2-

ment of Richard I. Gilman, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Boston.

"Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

Letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"Reference is made to previous correspondence between your Bank and the Board regarding the extension of dollar credits by the Bank for International Settlements. This general problem was discussed in Mr. Knoke's letter of July 3, 1947 to the Board, enclosing a letter in which the Chairman of the B.I.S. indicated that that bank might resume the extending of dollar credits. Subsequently your Bank has kept the Board informed of credits proposed by the B.I.S., and where any policy issue has been involved, the Board has brought the matter up for consideration by the National Advisory Council.

"On reviewing the kinds of dollar credits that have been proposed by the B.I.S. from 1947 to the present time, the Board feels that the carrying out of its responsibility for special supervision of foreign relationships, under sec. 14(g) of the Federal Reserve Act, does not require that it be consulted regarding each individual B.I.S. credit before your Bank notifies the B.I.S. that there will be no objection to the credit.

"Therefore, for the present and until further notice, your Bank is authorized to act on dollar credits proposed by the B.I.S. without prior consultation with the Board except in those cases in which any issue of policy arises or in which your Bank proposes to object to the B.I.S. proposal.

"It is understood, of course, that promptly upon receipt by your Bank of each proposal for a B.I.S. credit, the Board's staff will be informally advised, and also that you will continue to send the Board copies of correspondence with the B.I.S. dealing with dollar credits."

Approved unanimously.

3/23/50

-3-

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

"Reference is made to your letter of March 16 regarding the preparation of detailed plans and specifications for an addition to the Pittsburgh branch building, in accordance with the preliminary plans and specifications which have been submitted to the Board.

"There are a few major questions which have not as yet been satisfactorily resolved, and before the Board authorizes the preparation of detailed plans and specifications it would be desirable if these questions could be discussed with President Gidney.

"Accordingly, it will be appreciated if you will let us know when it will be convenient for Mr. Gidney to come to Washington for this purpose, bringing with him, if he so desires, your architect and any members of the staff whom he may wish to have accompany him."

Approved unanimously.

Letter to Mr. Shepard, Chairman of the Federal Reserve Bank of Minneapolis, reading as follows:

"At the completion of the examination of the Federal Reserve Bank of Minneapolis, made as of January 27, 1950, by the Board's examiners, a copy of the report of examination was left for your information and that of the directors. A copy was also left for President Peyton.

"The Towle matter has already been the subject of correspondence and is being handled separately.

"The Board will appreciate advice that the report of examination has been considered by the Board of Directors. Any comments you may care to offer regarding discussions with respect to the examination, or as to action taken or to be taken as a result of the examination, will also be appreciated."

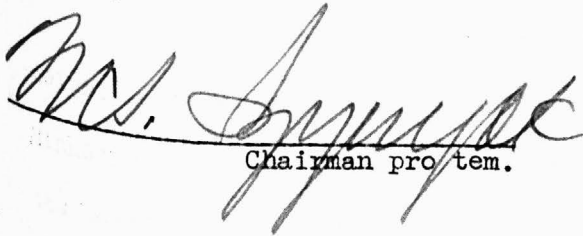
3/23/50

-4-

Approved unanimously.


Secretary.

Approved:


Chairman pro tem.