Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, January 3, 1947.

PRESENT: Mr. Draper
Mr. Evans
Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Chairman

As stated in the minutes of December 26, 1946, Mr. Vardaman was absent on official business.

Telegrams to Mr. Whittemore, President of the Federal Reserve Bank of Boston; Mr. Treiber, Secretary of the Federal Reserve Bank of New York; Mr. McCready, Secretary of the Federal Reserve Bank of Philadelphia; Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago; Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis; Mr. Johns, Secretary of the Federal Reserve Bank of Kansas City; and Mr. Volberg, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on December 31, 1946, by the Federal Reserve Banks of New York, Philadelphia, Chicago, and Kansas City on January 2, and by the Federal Reserve Banks of Boston and San Francisco on January 3, 1947, of the rates of discount and purchase in their existing schedules.

Approved unanimously.
Mr. Carpenter reported that the Comptroller of the Currency today issued a call on all national banks for reports of condition as of the close of business on December 31, 1946, and that, in accordance with the usual practice, a call was made today on behalf of the Board of Governors of the Federal Reserve System on all State member banks for reports of condition as of the same date.

The call made on behalf of the Board was approved unanimously.

Memorandum dated December 17, 1946, from Chairman Eccles, recommending that Miss Va Lois Egbert, Secretary to the Chairman, be granted sick leave for 41 days, 2 hours, and 30 minutes, with the understanding that such leave will not be charged to sick leave subsequently accruing.

Approved unanimously.

Memorandum dated January 3, 1947, from Mr. Nelson, Director of the Division of Personnel Administration, recommending that the resignation of Mrs. Evelyn Underwood Nelson, leave clerk in that Division, be accepted to be effective, in accordance with her request, at the close of business January 3, 1947, with the understanding that a lump sum payment would be made for any annual leave remaining to her credit as of that date.

Approved unanimously.
Letter to Mr. Peyton, President of the Federal Reserve Bank of Minneapolis, reading as follows:

"The Board has given careful consideration to the request contained in your letter of December 16, 1946, for approval of a special contribution to the Retirement System for the benefit of Mr. E. W. Swanson in connection with his impending retirement.

"It appears that Mr. Swanson plans to elect Option 3 under the Retirement System which would provide an annual retirement allowance of approximately $1923 and, at his death, one-half that amount to his beneficiary. However, if Mr. Swanson elected Option 1, his annual allowance would be approximately $2381, which is similar to the benefits proposed by your Board of Directors.

"As you know, one of the purposes of the revision of the retirement benefits in 1943 was to eliminate the necessity of making supplemental contributions to the Retirement System for the benefit of officers and employees retiring after age 65. Accordingly, the Board feels that it would not be justified in treating this case as an exception by authorizing a retirement allowance larger than that regularly provided under the Rules and Regulations of the Retirement System.

"In making its decision, the Board is not unmindful of the valuable service which Mr. Swanson has rendered the Federal Reserve System."

Approved unanimously.

Telegram to Mr. Shepard, Federal Reserve Agent of the Federal Reserve Bank of Minneapolis, stating that, subject to the conditions set forth in the telegram, the Board of Governors of the Federal Reserve System authorizes the issuance of a general voting permit, under the provisions of Section 5144 of the Revised Statutes of the United States, to the "First Bank Stock Corporation", Minneapolis, Minnesota, entitling such organization to vote the stock
which it owns or controls of "The First National Bank of Cloquet", Cloquet, Minnesota, at all meetings of shareholders of such bank, and that the period within which a permit may be issued pursuant to the authorization contained in the telegram is limited to 30 days unless an extension of time is granted by the Board. The condition contained in the telegram upon which the permit was authorized was as follows:

"(1) That, prior to issuance of general voting permit authorized herein, applicant shall execute and deliver to you in duplicate an agreement in form accompanying Board's letter X-9385 (F.E.L.S. #7190), except that (a) paragraphs numbered 1, 2, 4, and 5 shall be omitted and remaining numbered paragraphs appropriately renumbered, and (b) all lettered paragraphs and introductory sentence immediately preceding them shall be omitted; and (2) that, prior to issuance of general voting permit authorized herein, applicant shall deliver to you in duplicate Exhibit L (Form P-3) executed by First Edina State Bank, Edina, Minnesota, and Exhibit N (Form P-4) executed by applicant and consented to by First Edina State Bank, or furnish assurances satisfactory to you that it will deliver such Exhibits to you within 30 days after issuance of such permit, or furnish evidence satisfactory to Counsel for the Federal Reserve Bank of Minneapolis that such Exhibits are not required by Board's Regulation P and directions on printed forms referred to."

Approved unanimously.

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

"This will acknowledge receipt of your letter of December 24, 1946, advising the Board that you have obtained authority from the Civilian Production Ad-
"Administration to erect a memorial to those members of the staff who served in the armed forces in World War II and to those who gave their lives in that service. "It is noted that the memorial, which will cost approximately $3,300, will be suitably ornamented and inscribed and will be set into the wall of your auditorium."

Approved unanimously.

Letter to the Comptroller of the Currency reading as follows:

"It is respectfully requested that you place an order with the Bureau of Engraving and Printing, supplementing the order of June 13, 1946, for printing of $25,020,000 of Federal Reserve notes of the 1934 Series for the Federal Reserve Bank of Cleveland in the $5 denomination."

Approved unanimously.

Approved:

Ernest G. Warres
Member.