

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, May 8, 1947.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser

Minutes of actions taken by the Board of Governors of the Federal Reserve System on May 5, 1947, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on May 6, 1947, were approved and the actions recorded therein were ratified unanimously.

Memorandum dated April 29, 1947, from Mr. Carpenter recommending that an extension of leave without pay from June 1, 1947, to September 1, 1948, be granted to Mrs. Fitzgerald, General Assistant in the Secretary's Office, with the understanding that she would retire at that time. The memorandum also recommended that the usual retirement contributions on her behalf be continued during the period of leave and that she be permitted to continue the existing death benefit provided she continues to make the necessary contributions therefor. The memorandum further stated that the total amount of retirement contributions that would be made by the Board under this arrangement from June 1, 1947, to September 1, 1948, would be approximately \$530.

Approved unanimously.

5/8/47

-2-

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

"In accordance with the requests contained in your letters of May 2, 1947, the Board approves the appointments of William Alexander Coulter and Alvin Chester Plagman as assistant examiners for the Federal Reserve Bank of Cleveland. Please advise us of the dates upon which the appointments become effective and as to the salary rates."

Approved unanimously.

Letter to Mr. Laning, Vice President and Cashier of the Federal Reserve Bank of Cleveland, reading as follows:

"In accordance with the request contained in your letter of May 5, 1947, the Board of Governors approves the continuation of the temporary assignment of Mr. Edward Seavert as an Expense Ledger and Voucher Clerk in the Expense Accounting Department at his present salary of \$3,720 per annum, for a further period of six months ending October 29, 1947."

Approved unanimously.

Letter dated May 7, 1947, to Mr. Willett, First Vice President of the Federal Reserve Bank of Boston, reading as follows:

"Enclosed are certified copies of the orders of the Board of Governors authorizing The First National Bank of Boston to establish branches at Sao Paulo and Santos, United States of Brazil, which you will please deliver to the bank. Copies of the orders are enclosed for your files.

"Please call the attention of The First National Bank of Boston to the fact that the authority to establish the branches will automatically terminate on June 1, 1948, if the branches are not established and opened for business on or before that date and request

5/8/47

-3-

"the bank to advise the Board of Governors in writing when the branches are established and opened for business."

Approved unanimously, together with the orders referred to which read as follows:

"ORDER

"May 7, 1947

"WHEREAS The First National Bank of Boston, Boston, Massachusetts, has made application to the Board of Governors of the Federal Reserve System, pursuant to the provisions of section 25 of the Federal Reserve Act, for permission to establish a branch at Santos, United States of Brazil; and

"WHEREAS it appears that the said bank may properly be authorized to establish a branch at Santos, United States of Brazil;

"NOW, THEREFORE, The First National Bank of Boston, Boston, Massachusetts, is authorized to establish a branch at Santos, United States of Brazil, and to operate and maintain it subject to the provisions of section 25 of the Federal Reserve Act, upon condition that unless the branch is actually established and opened for business on or before June 1, 1948, all rights hereby granted as to such branch shall be deemed to have been abandoned and the authority hereby granted shall automatically terminate on such date."

"ORDER

"May 7, 1947

"WHEREAS The First National Bank of Boston, Boston, Massachusetts, has made application to the Board of Governors of the Federal Reserve System, pursuant to the provisions of section 25 of the Federal Reserve Act, for permission to establish a branch at Sao Paulo, United States of Brazil; and

"WHEREAS it appears that the said bank may properly be authorized to establish a branch at Sao Paulo, United States of Brazil;

5/8/47

-4-

"NOW, THEREFORE, The First National Bank of Boston, Boston, Massachusetts, is authorized to establish a branch at Sao Paulo, United States of Brazil, and to operate and maintain it subject to the provisions of section 25 of the Federal Reserve Act, upon condition that unless the branch is actually established and opened for business on or before June 1, 1948, all rights hereby granted as to such branch shall be deemed to have been abandoned and the authority hereby granted shall automatically terminate on such date."

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

"Reference is made to your letter of May 2, 1947, submitting the request of the Manufacturers and Traders Trust Company, Buffalo, New York, for an extension of six months in the time within which the proposed branch at Eggertsville, New York, approved by the Board of Governors November 20, 1946, may be established.

"In accordance with your recommendation, the Board extends the time within which the proposed branch may be established to November 20, 1947."

Approved unanimously.

Letter to the "Fayette National Bank and Trust Company of Uniontown", Uniontown, Pennsylvania, reading as follows:

"The Board of Governors of the Federal Reserve System has considered the application for permission to exercise fiduciary powers made on behalf of the proposed Fayette National Bank and Trust Company of Uniontown, Uniontown, Pennsylvania, and grants such bank authority, effective if and when it is authorized by the Comptroller of the Currency to commence business, to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national

5/8/47

-5-

"banks are permitted to act under the laws of the State of Pennsylvania, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"After the Comptroller of the Currency has authorized the Fayette National Bank and Trust Company of Uniontown to commence business, you are requested to have the board of directors of the bank adopt a resolution ratifying the application for permission to exercise fiduciary powers and a certified copy of the resolution so adopted should be forwarded to the Federal Reserve Bank of Cleveland for transmittal to the Board for its records. When a copy of such resolution has been received by the Board, a formal certificate covering the national bank's authority to exercise trust powers will be forwarded."

Approved unanimously, for transmission through the Federal Reserve Bank of Cleveland.

X Letter to Mr. Sproul, Chairman of the Conference of Presidents,

reading as follows:

"Replies from the various Federal Reserve Banks to the Board's letter of November 7, 1946, indicate that various practices exist among the Banks regarding reimbursement for traveling expenses and that there is considerable variation in the average daily traveling expenses other than for transportation.

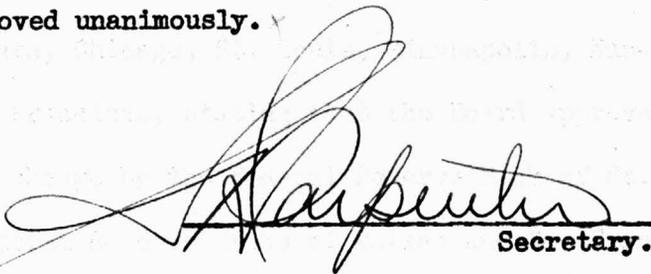
"For reasons which have been discussed from time to time with the Presidents during the past year, the Board believes there should be substantial uniformity in the maximum amounts which may be reimbursed for traveling expenses and that there should be established a uniform scale of maximum allowances for the Federal Reserve Banks. To this end the Board feels that consideration should be given to a schedule which would be comparable to that contained in the Board's recently revised regulations covering official travel by members of the Board and its staff, a copy of which is enclosed for your information.

5/8/47

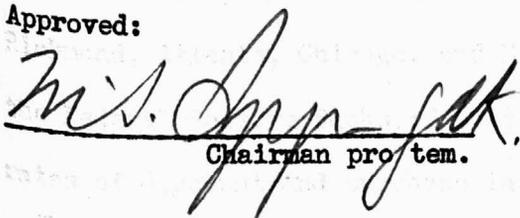
"In the revision of the regulations, the Board considered the practices followed in the Government generally and particularly in the office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation with respect to their examining staffs. While the regulations provide for reimbursement on an actual expense basis in certain cases, it is understood that reimbursement for amounts in excess of the per diem stated will be authorized only in unusual cases, such as attendance at fiscal agency conferences, where actual expenses are considerably in excess of the per diem allowances.

"Before coming to a decision on the matter, the Board would like to have the views of the various Federal Reserve Banks, and it will be appreciated if you will place the matter on the agenda for the forthcoming Presidents' Conference."

Approved unanimously.


Secretary.

Approved:


Chairman pro tem.