

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, May 19, 1947.

PRESENT: Mr. Eccles, Chairman

Mr. Draper

Mr. Evans

Mr. Vardaman

Mr. Clayton

Mr. Carpenter, Secretary

Mr. Sherman, Assistant Secretary

Mr. Morrill, Special Adviser

Mr. Thurston, Assistant to the Chairman

Minutes of actions taken by the Board of Governors of the Federal Reserve System on May 16, 1947, were approved unanimously.

Letter to the board of directors of the "Alabama Exchange Bank", Tuskegee, Alabama, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Atlanta.

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

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

"Reference is made to your letter of May 12, 1947, submitting the request of The Fidelity Bank, Durham, North Carolina, for an extension of six months in the time within which the proposed branch on Roxboro Road in Durham County, North Carolina, approved by the Board of Governors on December 10, 1946, may be established.

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"In accordance with your recommendation, the Board extends the time within which the proposed branch may be established to December 10, 1947."

Approved unanimously.

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

"Referring to your letter of May 7, 1947, the Board will interpose no objection to the installation of an acoustical ceiling in the portion of the third floor of your Bank building not as yet covered by such a ceiling. It is noted that the total cost of such work, including the architects' fee of \$921.10, will be \$10,132.10. It is also noted that you did not attempt to obtain competitive bids for the project in view of the fact that the bid received was from the only concern in the area which can supply the particular type of ceiling recommended by your architects."

Approved unanimously.

Letter prepared for Chairman Eccles' signature to Mr. V. Manuel Valdes, Under Secretary of Economy, Palacio Nacional, San Salvador, El Salvador, reading as follows:

"The Board has given careful and sympathetic consideration to your letter of April 19, 1947 requesting the services of Mr. Musgrave and Mr. Grove of the Board's staff in connection with your project for a commission of foreign experts to be entrusted with a study of your fiscal system.

"We are impressed with your presentation of this project, but in view of the many pressing demands made upon the Board's personnel, we feel that it would be highly desirable to delay decision until an opportunity arises for personal consultation with you concerning your plans. Fortunately, it appears that such an opportunity will soon be created, since we understand that Mr. Henry Wallich of the Federal Reserve Bank of New York plans to call upon you on

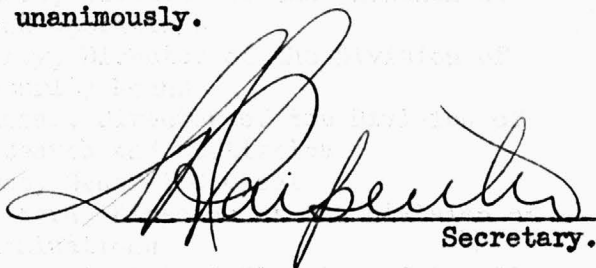
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"his way back from a South American trip at the end of this month. We shall therefore await with great interest Mr. Wallich's report.

"I regret to say that in any case it will not be possible for us to spare Mr. Musgrave for this work, although he may be able to make a significant contribution through consultation with the members of the proposed commission who have the opportunity of visiting your country. I may add that Mr. Grove is at present in Ecuador and his future plans remain somewhat uncertain. However, if it is decided to proceed with this project, and if Mr. Grove is not available at that time, it may prove feasible to assign another member of the Board's staff to the work, probably Mr. Robert Rennie."

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.