Minutes of actions taken by the Board of Governors of the
Federal Reserve System on Wednesday, June 18, 1947.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
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 June 17, 1947, were approved unanimously.

Memorandum dated June 13, 1947, from Mr. Bethea, Director
of the Division of Administrative Services, recommending that the
resignation of Joseph T. Glotfelty, Jr., an operating engineer in
that Division, be accepted to be effective, in accordance with his
request, at 11:00 a.m. on June 13, 1947, with the understanding that
a lump sum payment would be made for annual leave remaining to his
credit as of that date.

Approved unanimously.

Letter to the Federal Deposit Insurance Corporation reading
as follows:

"Pursuant to the provisions of section 12B of the
Federal Reserve Act, as amended, the Board of Governors
of the Federal Reserve System hereby certifies that the
Hereford State Bank, Hereford, Texas, became a member
of the Federal Reserve System on June 16, 1947, and is
"now a member of the System. The Board of Governors of
the Federal Reserve System further hereby certifies that,
in connection with the admission of such bank to mem-
bership in the Federal Reserve System, consideration was
given to the following factors enumerated in subsection
(g) of section 12B of the Federal Reserve Act:
1. The financial history and condition of the bank,
2. The adequacy of its capital structure,
3. Its future earnings prospects,
4. The general character of its management,
5. The convenience and needs of the community to
be served by the bank, and
6. Whether or not its corporate powers are con-
sistent with the purposes of section 12B of
the Federal Reserve Act."

Approved unanimously.

Letter to the Presidents of all the Federal Reserve Banks read-
ing as follows:

"A copy of Custodian Bulletin No. 1185 issued by
the Reconstruction Finance Corporation in connection
with the rendition of monthly custodian expense vouch-
ers and addressed to all Custodian Banks has recently
come to our attention. It is noted that the Bulletin
requests that all future vouchers include only a state-
ment of such expenses as are indicated on a form attached
to the Bulletin, but also provides that 'working papers
and other data supporting your computations of these
charges should be retained in your files for such peri-
odical test check or audit by representatives of the
Corporation as may be appropriate'.

"In connection with this latter instruction, it is
assumed that your Bank will compile and retain in ac-
cessible form records showing information similar to
that previously submitted along with and in support of
vouchers, and that in auditing the vouchers the Recon-
struction Finance Corporation representatives will be
permitted to examine such records but will not be al-
lowed to go beyond them."

Approved unanimously.
Letter to the Presidents of all the Federal Reserve Banks reading as follows:

"Reference is made to the Board's letter of May 6, 1947 (S-974), requesting the termination by July 1, 1947, of certain custody accounts for nonmember banks.

"This is to advise you that the Board is in agreement with the opinion of the Presidents as expressed at their joint meeting with the Board on June 6 that the Reserve Banks which now have custody accounts should notify the nonmember banks involved that no new custodies will be received after July 1, 1947. This will have the effect of terminating all such custodies within a year since none of the securities in question have a maturity of more than one year."

Approved unanimously.

Secretary.

Approved:

Chairman.