

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, July 29, 1947.

PRESENT: Mr. Eccles, Chairman
Mr. Evans
Mr. Vardaman

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Chairman

Memorandum dated July 29, 1947, from Mr. Leonard, Director of the Division of Examinations, recommending that the resignation of Miss Myrtle C. Price, a clerk-typist in that Division, be accepted to be effective, in accordance with her request, at the close of business August 1, 1947, with the understanding that a lump sum payment would be made for annual leave remaining to her credit as of that date.

Approved unanimously.

Memorandum dated July 28, 1947, from Mr. Smead, Director of the Division of Bank Operations, recommending that the resignation of James P. Wooten, an accounting clerk in that Division, be accepted to be effective, in accordance with his request, at the close of business August 3, 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.

7/29/47

-2-

Letter to Mr. Neely, Federal Reserve Agent of the Federal Reserve Bank of Atlanta, reading as follows:

"In accordance with the request contained in Mr. Rainey's letter of July 24, 1947, the Board of Governors approves, effective August 1, 1947, the payment of salary to Mrs. Genevieve M. Barnett, Alternate Assistant Federal Reserve Agent, at the rate of \$3,600 per annum."

Approved unanimously.

An application had been received under date of July 9, 1947, from "The National City Bank of New York", New York, New York, requesting approval of the Board to establish and maintain at Clark Field, Republic of the Philippines, a branch of "The National City Bank of New York", and a letter had been received under date of July 10, 1947, from Mr. Sheehan, Chief Examiner of the Federal Reserve Bank of New York, recommending that the application be approved. Under date of July 23, 1947, the Board had also been advised by the Comptroller of the Currency that that office had no objection to the establishment of the proposed branch.

The following order was adopted by unanimous vote:

"ORDER

"WHEREAS The National City Bank of New York 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 Clark Field, Republic of the Philippines; and

7/29/47

-3-

"WHEREAS it appears that the said bank may properly be authorized to establish a branch at Clark Field, Republic of the Philippines;

"NOW, THEREFORE, The National City Bank of New York is authorized to establish a branch at Clark Field, Republic of the Philippines, 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 August 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.

"Dated: July 29, 1947"

In connection with the above matter, the following letter to Mr. Wiltse, Vice President of the Federal Reserve Bank of New York, was also approved unanimously:

"Enclosed is a certified copy of an order of the Board of Governors authorizing The National City Bank of New York to establish a branch at Clark Field, Republic of the Philippines, which you will please deliver to the bank. A copy of the order is enclosed for your files.

"Please ask the bank to note that the authority to establish the branch will automatically terminate on August 1, 1948, if the branch is not actually established and opened for business on or before that date, and request the bank to advise the Board in writing when the branch is so established and opened for business."

Letter prepared for Chairman Eccles' signature to the Presidents of all Federal Reserve Banks reading as follows:

"You perhaps have seen the statement on 'Meeting the Special Problems of Small Business' by the Research and Policy Committee of the Committee for Economic Development issued in June 1947, but in the event you have not you will

7/29/47

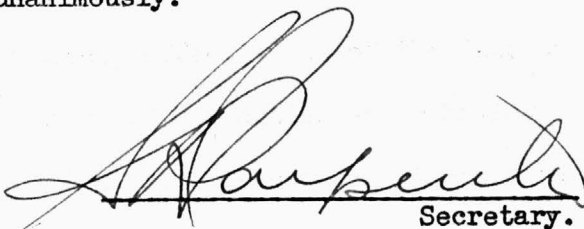
-4-

"be interested particularly in the discussion beginning on page 39 of the statement relating to Government financial aid to small business and the proposal contained therein that the Federal Reserve Banks be given broader authority to guarantee industrial loans made by commercial banks.

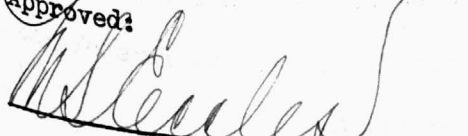
"This discussion is a strong endorsement of S. 408 and H.R. 3268 now pending before Congress. Although this legislation was not passed during the session just ended, the bill has been favorably reported by the Senate Banking and Currency Committee and is now ready for consideration by the Senate. The hearings before the Banking and Currency Committee of the House have been completed and the bill is ready for action by the Committee. It is believed, therefore, that the bill will occupy a very favorable position when Congress reconvenes after the first of the year.

"The Board feels, however, that it is important that during the balance of the year your Bank continue its efforts to assure that the scope and purposes of the bill are understood by the business and financial leaders and others in your district and that they are advised of the endorsements which it is receiving from such organizations as the Research and Policy Committee of the Committee for Economic Development. The statement of that organization sets forth effectively the fundamental philosophy underlying the legislation and it would be desirable if it could be brought to the attention of the individuals in your district who are most interested in the enactment of the bill."

Approved unanimously.


Secretary.

Approved:


Chairman.