

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, August 25, 1947.

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

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 August 21, 1947, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on August 22, 1947, were approved and the actions recorded therein were ratified unanimously.

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

"In accordance with the request contained in your letter of August 19, 1947, the Board approves the designation of Charles Henry Reilly, Jr. as a special assistant examiner for the Federal Reserve Bank of Chicago.

"It is noted that you plan to use Mr. Reilly in examining work for a trial period and that, if conditions and his work warrant it, you expect to recommend him for appointment as an assistant examiner."

Approved unanimously.

Letter to Mr. Koppang, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"Receipt is acknowledged of your letter of August 14 transmitting for the information of the

8/25/47

-2-

"Board a copy of a letter dated August 6, 1947 to President Leedy from Vice President Thompson of the First National Bank and Trust Company of Tulsa, Oklahoma, protesting, among other things, the recent action of your bank in offering to refund to member banks the transportation costs on direct sent cash letters. Your letter has been brought to the attention of members of the Board.

"It is noted that a reply to Mr. Thompson is being prepared to be forwarded to him upon Mr. Leedy's return from vacation. It is presumed that the reply will express views similar to those stated at meetings of the Presidents' Conference when the matter of reimbursing member banks for postage or other transportation costs on direct sent cash letters was discussed, and that it may also contain an explanation along the lines of Mr. Rounds' letter of August 1 to New York Clearing House Association banks, a copy of which we understand was sent to you. We shall appreciate receiving a copy of the reply as well as other correspondence you may have on this subject.

"The Board has also received within the past few days a copy of a resolution passed by the Kansas City Clearing House Association at a meeting on July 25, 1947, objecting to the reimbursement of member banks for postage costs incurred in direct sent cash letters and we observe that a copy was also sent to your bank. Receipt of this resolution, which was not accompanied by a letter of transmittal, has not been acknowledged by the Board. It will be appreciated if you will respond, on behalf of the Board, in terms similar to those contemplated for the reply to Mr. Thompson in so far as they relate to the reimbursement of postage costs on direct sent cash letters and to the suggestion that Regulation Q is involved either directly or indirectly."

Approved unanimously.


Memorandum dated August 25, 1947, from Mr. Hackley, Assistant Counsel, recommending that there be published in the law department of the September issue of the Federal Reserve Bulletin

8/25/47

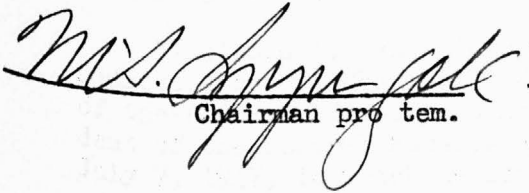
a statement in the form attached to the memorandum with respect to the following subject:

Common Trust Funds  
Operation as Investment Trust.

Approved unanimously.

  
Assistant Secretary.

Approved:

  
Chairman pro tem.