

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, November 14, 1947.

PRESENT: Mr. Szymczak, Chairman pro tem
 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 November 13, 1947, were approved unanimously.

Telegrams to the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on November 12, by the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, Minneapolis, and Kansas City on November 13, 1947, and by the Federal Reserve Bank of Dallas today of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Telegram to Mr. Leedy, President of the Federal Reserve Bank of Kansas City, reading as follows:

"In your letter forwarding 1948 budget you state your Board informally agreed it would be necessary that a substantially general cost-of-living salary adjustment

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"amounting to roughly 5 per cent be made at or near first of next year and that allowance for any such adjustment has not been made in 1948 budget. Aside from the question of policy involved in authorizing such an adjustment, it is important that budgets represent as nearly as possible actual and necessary expenditures to be incurred and if your Bank now contemplates general increase in salaries which will not be offset through turnover of employees, etc., will appreciate your wiring Board as early as practicable next week changes which such proposed increases will make in each function and expense unit in budget as submitted."

Approved unanimously.

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

"This refers to your letter of November 6 regarding the penalty of \$298.41 incurred by Bar Harbor Banking and Trust Company, Bar Harbor, Maine, as a result of a deficiency in reserves for the period ended October 31, 1947.

"In the circumstances set forth in your letter regarding the confusion caused by fires in the disaster area, the Board authorizes your Bank not to make the assessment."

Approved unanimously.

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

"Reference is made to your letter of November 5, 1947, submitting the request of First Trust & Savings Bank of Kankakee, Kankakee, Illinois, for approval, under the provisions of Section 24A of the Federal Reserve Act, of an expenditure of approximately \$200,000 for remodeling its banking premises and installing new fixtures and equipment. It is noted that the bank has outgrown its present quarters, which have not been remodeled since 1918, and that bank building and furniture and fixtures have been charged down to \$30,000 and \$1,

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"respectively, whereas the common capital of the bank is \$200,000.

"In view of the circumstances and your favorable recommendation the Board of Governors approves the additional investment of approximately \$200,000 as proposed."

Approved unanimously.

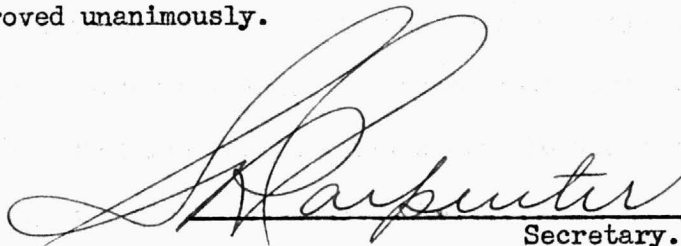
Letter to Mr. Volberg, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"In view of the recommendation contained in your letter of November 6, 1947, the Board of Governors further extends until January 6, 1948, the time within which the American Trust Company, San Francisco, California, may establish the branch at Alhambra Boulevard and Broadway Street, Sacramento, California, as approved by the Board under date of January 29, 1947."

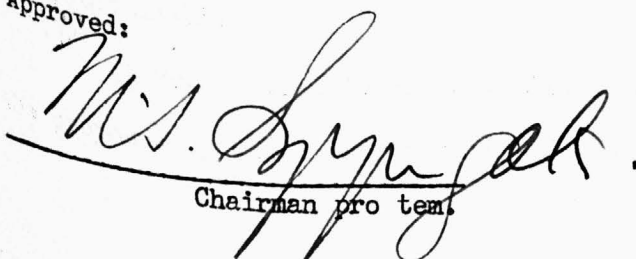
Approved unanimously.

Memoranda dated November 12, 1947, from Mr. Smead, Director of the Division of Bank Operations, recommending, for the reasons stated in the memoranda, that \$1,500 be added to the item of Printing and Binding and \$250 to the item of Telephone and Telegraph in the 1947 non-personal budget of that Division.

Approved unanimously.


Secretary.

Approved:


Chairman pro tem.