

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, January 5, 1948.

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 January 2, 1948, were approved unanimously.

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

"In accordance with the request contained in your letter of December 29, 1947, the Board of Governors approves the appointment of Mr. Clin W. Hammond as Alternate Assistant Federal Reserve Agent at his present salary of \$3,720 per annum.

"It is understood that Mr. Hammond will be placed upon the Federal Reserve Agent's pay roll and will be solely responsible to him or, during a vacancy in the office of the Federal Reserve Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties as Alternate Assistant Federal Reserve Agent he may, with the approval of the Federal Reserve Agent or, during a vacancy in the office of the Federal Reserve Agent, of the Assistant Federal Reserve Agent, and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent.

"Please have Mr. Hammond execute the usual oath of office which should be forwarded to the Board with advice as to the effective date of Mr. Hammond's appointment as Alternate Assistant Federal Reserve Agent."

Approved unanimously.

1/5/48

-2-

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

"In accordance with the request contained in your letter of December 29, 1947, the Board approves the appointment of Levings Waddell Laney as an assistant examiner for the Federal Reserve Bank of Atlanta. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

Letter to Mr. Caldwell, Federal Reserve Agent of the Federal Reserve Bank of Kansas City, reading as follows:

"Pursuant to recommendations contained in Mr. Leedy's letter of December 29, 1947, the Board approves the payment of salary to the following members of the Federal Reserve Agent's staff at the rates indicated, effective January 1, 1948:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
	<u>Head Office</u>	
Maurice Allendoerfer	Assistant Federal Reserve Agent	\$4,080
Kenneth B. Self	Alternate Assistant Federal Reserve Agent	4,740
	<u>Denver Branch</u>	
William R. Young	Federal Reserve Agent's Representative	4,320
H. B. Fisher	Federal Reserve Agent's Representative	3,780
	<u>Oklahoma City Branch</u>	
David E. Chase	Federal Reserve Agent's Representative	4,140
Lee G. Cox	Federal Reserve Agent's Representative	3,960
	<u>Omaha Branch</u>	
William F. Fairley	Federal Reserve Agent's Representative	4,080
Earl O. Streeter	Federal Reserve Agent's Representative	3,900

1/5/48

-3-

"It is understood that the salaries proposed for Messrs. Fisher, Cox and Streeter have not been acted upon by the respective branch board of directors. Therefore, the Board approves the salaries of these employees provided their salaries are fixed at the rates indicated by the appropriate Board of Directors."

Approved unanimously.

Telegram to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H and the following special condition, the Board approves the application of the "Empire State Bank of Dallas", Dallas, Texas, for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Dallas:

"4. At the time of admission to membership, such bank shall have a paid up and unimpaired capital stock of not less than \$750,000 and other capital funds of not less than \$450,000."

The telegram requested that the Federal Reserve Bank advise the applicant bank of the Board's approval of the application and conditions of membership prescribed, together with necessary instructions as to the procedure for accomplishing membership, and stated that a letter containing detailed advice regarding such approval would be forwarded to the applicant bank through the Reserve Bank. The telegram contained the following additional statement:

"Time within which membership may be accomplished limited to ninety days from this date. Letter to organizers will contain paragraph reading, 'It appears that, under the proposed articles of association, the bank will possess authority to exercise fiduciary powers and certain

1/5/48

-4-

"other powers not usual to commercial banking, such as the power to issue investment certificates, but it is understood that such powers are not to be exercised. The application has been approved on this basis and attention is called to the fact that under the provisions of condition of membership numbered one if the bank should desire in the future to exercise such powers, it will be necessary for the bank to obtain the Board's permission to do so.' Further requirements will include acceptance of conditions by board of directors after charter is issued and ratification of action taken on bank's behalf in applying for membership."

Approved unanimously.

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

"Reference is made to your letter of December 16, 1947, submitting additional information furnished by the Union State Bank, Carrizo Springs, Texas, in connection with its request for further consideration of its application for membership.

"The application was submitted with the unfavorable recommendation of the Reserve Bank based primarily on unfavorable findings with respect to prospective earnings of the proposed bank and the convenience and needs of the community to be served. In view of your recommendation and the information submitted, you were requested, on August 22, 1947, to advise the bank of the Board's position with respect to its application on the basis of the information then before the Board and to suggest that the application might be withdrawn. It was also requested that you advise the bank that if it should wish to submit additional information or should future developments furnish support for its expectations with respect to sound and profitable operation, the Board would be glad to reconsider the matter.

"The Board feels that the information furnished by the applicant bank does afford support for its contention that it can operate profitably and provide needed facilities within its community. Therefore, it is requested that you undertake, as soon as it may be convenient, an investigation or examination of the current status of the institution, inviting the Supervising Examiner of the

1/5/48

-5-

"Federal Deposit Insurance Corporation to participate to the extent that he may consider desirable, and submit your findings to the Board with your recommendation as to action on the application for membership in the light of such findings.

"It is understood that you have felt that the Supervising Examiner might be hesitant to join in an investigation of the applicant bank because of the short time it has been in actual operation. Representatives of the Washington office of the FDIC have assured members of the Board's staff that the Supervising Examiner need have no such hesitancy in this case and that he would be so advised, if necessary."

Approved unanimously.

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

"This will acknowledge receipt of your letter of November 28, 1947, in which you advise that it appears expenses in the last half of 1947 for certain functions will exceed the budget estimates for that period.

"It is noted that expenditures in the functions named will exceed the budget by approximately the following amounts:

<u>Function</u>	<u>Head Office</u>	<u>Amount</u>
Provision of Space		\$17,600
Furniture and Equipment		11,200
Securities		1,200
Accounting		7,200
Research and Statistical		8,000
	<u>Baltimore Branch</u>	
Fiscal Agency, U. S. Treasury Department		
Public Debt		29,471"

Approved unanimously.

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

"This will acknowledge receipt of your letter of December 22, 1947, in which you advise that expenses in the last half of 1947 for certain functions at your Bank and

1/5/48

-6-

"branches will exceed the budget estimates for that period by approximately the following amounts:

<u>Head Office</u>	
<u>Function</u>	<u>Amount</u>
Provision of personnel	\$ 3,000
Postage and expressage	3,000
Insurance	300
Discount and credit	3,900
Securities	6,000
Currency and coin	7,000
Noncash collection	100
Accounting	7,000
Bank examination	3,000
Fiscal Agency	50,000
<u>Denver Branch</u>	
Postage and expressage	1,400
Currency and coin	5,000
General overhead	750
Provision of personnel	1,500
Stock of supplies	500
Check collection	1,500
Noncash collection	1,150
Accounting	800
Research and statistical	50
Auditing	900
Bank and public relations	800
<u>Oklahoma City Branch</u>	
Postage and expressage	500
Stock of supplies	4,000
Insurance	190
Discount and credit	117
Securities	699
Currency and coin	3,267
Check collection	7,610
Noncash collection	180
Accounting	2,747
Planning	347
Auditing	494
Federal Reserve note issue	114
<u>Omaha Branch</u>	
Provision of personnel	580
Stock of supplies	400
Insurance	455
Discount and credit	250
Currency and coin	6,000
Check collection	3,500
Accounting	2,200
Auditing	650"

Approved unanimously.

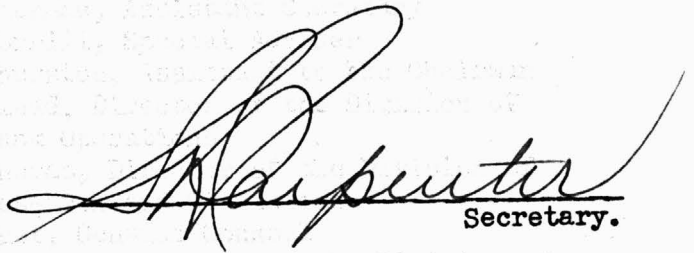
1/5/48

-7-

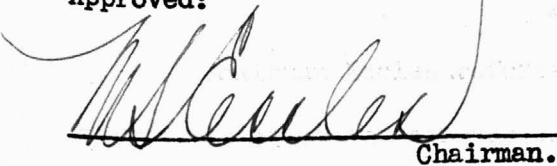
Telegram to the Presidents of all Federal Reserve Banks reading as follows:

"Interest paid on Federal Reserve notes will be shown in earnings and expense statements of Federal Reserve Banks published by the Board against caption 'Paid to U. S. Treasury (interest on outstanding F. R. notes)', and it is suggested that substantially same caption be used in statements published by your Bank."

Approved unanimously.


Secretary.

Approved:


Chairman.