

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, March 8, 1948.

PRESENT: Mr. Eccles, Chairman pro tem.  
 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 Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on March 5, 1948, were approved unanimously.

Memorandum dated March 4, 1948, from Mr. Nelson, Director of the Division of Personnel Administration, notifying the Board that Carl E. Parry, Director of the Division of Security Loans, had filed an application for optional retirement under the Board Plan of the Federal Reserve Retirement System, effective April 1, 1948.

Noted.

Letter to Mr. Douglas, Vice President of the Federal Reserve Bank of New York, reading as follows:

"Reference is made to the reports on the number, classification, and salaries of employees requested by the Board's letter of December 11, 1947, and submitted with your letter of January 13, 1948.

"A review of the reports indicates that the salaries of all employees conform to the schedule approved for your Bank under the Plan of Job Classification and Salary Administration with certain exceptions already

3/8/48

-2-

"approved by the Board."

Approved unanimously.

Letter to Mr. McCreedy, Secretary of the Federal Reserve Bank of Philadelphia, reading as follows:

"The Board of Governors approves the appointments of Messrs. B F. Mechling, Harry L. Miller, Keith Powlison, James M. Skinner, and Daniel H. Schultz as members of the Industrial Advisory Committee for the Third Federal Reserve District to serve for terms of one year each, beginning March 1, 1948, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Philadelphia, as reported in your letter of March 4, 1948."

Approved unanimously.

Telegram to Mr. Earhart, President of the Federal Reserve Bank of San Francisco, 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 "Inland Empire Bank", Umatilla, Oregon, for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of San Francisco:

"4. At the time of admission to membership, such bank shall be entitled to the benefits of deposit insurance under the provisions of Section 12B of the Federal Reserve Act."

The telegram requested that the Federal Reserve Bank advise the applicant bank of the Board's approval of the application and conditions

3/8/48

-3-

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.

Approved unanimously.

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

"Subject final determination on basis of facts submitted with actual application Board would be disposed to give favorable consideration to application for membership by Continental State Bank, Boise, Idaho, in view of representations made informally and the understandings reported by you. It is understood that, after admission, acceptable assets of the New Plymouth State Bank, New Plymouth, Idaho, are to be acquired, its deposit liabilities assumed, and a branch established at New Plymouth. It is understood also that common capital of the Continental State Bank is to be increased to \$250,000 and the total of its capital account increased as a result of the transaction by an amount not less than 6 per cent of deposits assumed thereby, and, in no event, is the increase to be less by more than \$18,000 than the capital account of the New Plymouth State Bank at the time of the absorption."

Approved unanimously.

Letter to the "Piedmont National Bank of Spartanburg", Spartanburg, South Carolina, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee,

3/8/48

-4-

"receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of South Carolina, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously. This action was taken in the light of the comment contained in the memorandum prepared in the Division of Examinations under date of February 19, 1948, that, in view of the circumstances involved, the approval of the application of the "Piedmont National Bank of Spartanburg" would amount to virtual abandonment of the informal policy of waiting a year after the organization of a new national bank before granting trust powers to it, and that the favorable recommendation in this case was made with that situation in mind.

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

"This refers to your letter of February 24, 1948, with which you submitted a set of floor plans for the proposed Portland Branch, showing certain revisions from those submitted with your letter of September 20, 1947.

"It is noted that after further consideration of the types of materials, equipment, and construction to be used, it is now estimated that the overall cost of the building including vaults and fees will be less than \$3,000,000. This estimate provides for a reinforced concrete building and marble or terra cotta

3/8/48

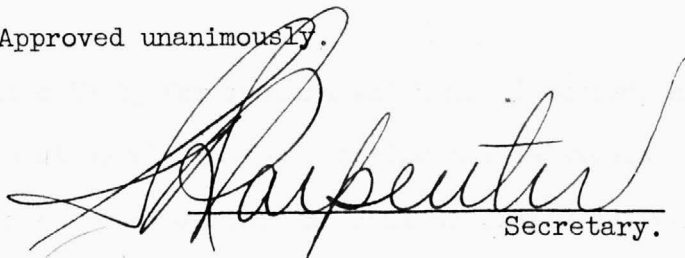
-5-

"facing in place of the structural steel frame building and polished granite facing originally proposed. You asked to be advised what kind of structure and what type of outside facing the Board would approve and whether it has any objection to the outline specifications attached to your letter.

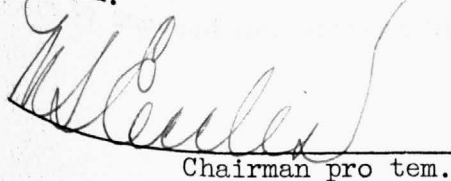
"On the basis of the information submitted, the Board approves for the exterior facing of the proposed Portland building use of the two-tone marble or any alternate material the cost of which is not in excess of the marble. You state that the steel frame construction at Portland is estimated to cost about \$27,500 more than reinforced concrete constructions, whereas the architect estimated that steel frame construction for the Seattle building would cost \$125,000 more than reinforced concrete. On the basis of all available information it would seem to the Board that the cost of steel frame construction at Portland would be substantially greater than estimated, and, if so, that reinforced concrete construction would be preferable at Portland as well as Seattle.

"You state that the same reasons exist for providing cafeteria facilities in the Portland building as were mentioned in your letter of February 14, 1948, relating to the Seattle building. It is noted that the estimated cost of equipment for kitchen and cafeteria, other than for dishes, flat silver, and coffee maker, would be only about \$7,000, and that much of this equipment would be necessary if only a 'snack bar' were provided. In view of the considerations outlined in your letters, the Board will interpose no objection to the inclusion of cafeteria and dining room facilities in the final plans."

Approved unanimously.

  
Secretary.

Approved:

  
Chairman pro tem.