

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, March 10, 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 9, 1948, were approved unanimously.

Memorandum dated March 5, 1948, from Mr. Szymczak recommending an increase in the basic salary of Miss Elnyr D. Newcome, Secretary to Mr. Szymczak, from \$4,400 to \$4,800 per annum, effective March 21, 1948.

Approved unanimously.

Letter to the board of directors of "The Security State Bank", Polson, Montana, 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 bank's application for membership and for the appropriate amount of stock in the Federal Reserve Bank of Minneapolis:

- "4. Prior to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate losses of \$1,195.49, as shown in the report of examination of such bank as of February 14, 1948, made by an examiner for the Federal Reserve Bank of Minneapolis."

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Approved unanimously, together with the following letter to Mr. Peyton, President of the Federal Reserve Bank of Minneapolis:

"The Board of Governors of the Federal Reserve System approves the application of The Security State Bank, Polson, Montana, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the board of directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Superintendent of Banks for the State of Montana, for his information.

"It is noted that action is contemplated to increase the presently inadequate amount of fidelity coverage and the bank's Articles of Incorporation are to be amended to provide for five directors."

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

"Reference is made to your letter of February 26, 1948, submitting the request of the Security Bank and Trust Company of Beaumont, Beaumont, Texas, for approval under Section 24A of the Federal Reserve Act, of a proposed investment in bank premises of a sum not exceeding \$300,000 which, it is understood, includes the site now carried at \$67,000. It is noted that the bank is now occupying rented quarters which are inadequate for its needs and that the necessary permission for the proposed investment has been granted by the State supervisory authorities.

"In view of your recommendation the Board of Governors approves the investment in bank premises as proposed."

Approved unanimously.

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

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"Referring to your letter of February 24, 1948, you have by now received the circular letter of February 27, 1948 (S-1015), which states the Board's position with respect to the construction of Federal Reserve Bank buildings when pronounced inflationary conditions prevail. In keeping with this policy and in the light of statements contained in your letter, the Board does not think that construction of the addition to the Los Angeles building should be undertaken at this time. It feels, however, that it would be desirable for you to have final plans for the entire proposed additions prepared and submitted for the Board's consideration so that construction can be undertaken promptly when labor and material conditions are such as to warrant the Federal Reserve Banks' going ahead with their building programs. The Board will have no objection to your entering into such contracts for lease of space in the Ninth and Hill Building as in your judgment seem warranted.

"Aside from the cost of the building recently purchased at Cincinnati, which is something over \$1,000,000 for the building proper, no specific allocation has been made of the \$10,000,000 authorization for branch bank buildings. Further allocations will be approved by the Board in the order of the relative urgency of the space problem at the various branches. The Portland and Seattle Branch building programs are considered more urgent than those of any other branches."

Approved unanimously.

Letter to Mr. Davis, Chairman of the Conference of Presidents, Federal Reserve Bank of St. Louis, reading as follows:

"At the meeting of the Board of Governors and the Presidents on December 9, 1947, there was a discussion of certain changes suggested in a memorandum presented by the Board, in policy and procedure in connection with the investments of the Federal Reserve Retirement System. It was concluded at that time that the changes should be considered by the Board of Trustees of the Retirement System, after which they would be discussed at a meeting of the Presidents and the Board of Governors.

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"It is understood that you plan to discuss the changes at the meeting of the Board of Trustees which has been set for the week of May 17. The Board of Governors would like to suggest that the discussion be so arranged that the matter can be considered by the Presidents' Conference following the meeting of the Board of Trustees and then discussed by the Board of Governors and the Presidents at their joint meeting."

Approved unanimously.


Letter to the Comptroller of the Currency reading as follows:

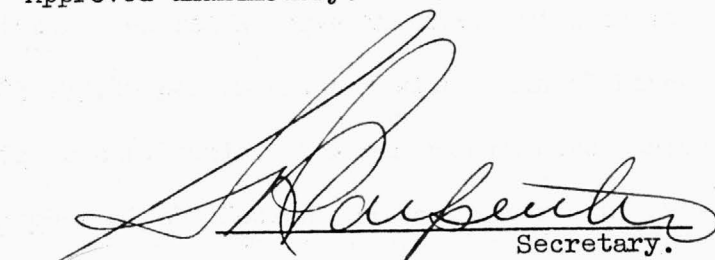
"It is respectfully requested that you place an order with the Bureau of Engraving and Printing, supplementing the order of June 19, 1947, for the printing of Federal Reserve notes of the Federal Reserve Bank of Boston in the amounts and denominations stated below:

Denomi- nation	Number of sheets	Amount
\$ 5	170,000	\$10,200,000
20	115,000	27,600,000"

Approved unanimously.

Approved:

  
Chairman pro tem.

  
Secretary.