

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, April 20, 1948.

PRESENT: Mr. McCabe, Chairman  
 Mr. Eccles  
 Mr. Szymczak  
 Mr. Draper  
 Mr. Evans  
 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 April 19, 1948, were approved unanimously.

Memorandum dated April 19, 1948, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of Mrs. Dorothy R. Mosher as a charwoman in that Division, on a temporary basis for a period of two months, with basic salary at the rate of \$1,690 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination. The memorandum also stated that it was not contemplated that Mrs. Mosher would become a member of the Federal Reserve retirement system during her employment on a temporary basis.

Approved unanimously.

Letter to Mr. Treiber, Assistant Vice President and Secretary of the Federal Reserve Bank of New York, reading as follows:

4/20/48

-2-

"The Board approves the payment of salaries to the following employees at the rates indicated which rates are in excess of the maximums for the positions occupied:

<u>Name</u>	<u>Maximum</u>	<u>Present Salary</u>
Lawrence F. Keane	\$6,200	\$6,360
Raymond A. Kohler	4,600	4,730
Claude C. Prout	5,100	5,282
Joseph J. O'Connor	5,100	5,323
Alois R. Kohler	4,100	4,730
Joseph Pospisil	4,100	4,476
Arthur A. Hickman	4,100	4,335
Edward Connelly	4,100	4,190
Frederick J. Tuck	4,100	4,730
Joseph W. Colley	2,520	2,640

"The Board also approves the payment of salary to Edward J. Hennessy at the rate of \$4232.50 per annum, which is in excess of the maximum salary for the position which he occupies, for a temporary period not to exceed six months beginning April 16, 1948."

Approved unanimously.

Letter to the board of directors of "The Beach Bank", Jacksonville Beach, Florida, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Atlanta.

Approved unanimously, for transmission through the Federal Reserve Bank of Atlanta.

Letter to The First National Bank of Boston, Boston 6, Massachusetts, reading as follows:

4/20/48

-3-

"This refers to the letter of April 9, 1948, from Cashier R. D. Clark of your bank requesting an extension of time within which you may establish and open for business branches at Sao Paulo and Santos, United States of Brazil, for which authorization was given by the Board on May 7, 1947. Permission for the establishment of such branches was granted provided the branches were actually established and opened for business on or before June 1, 1948.

"The Board of Governors of the Federal Reserve System extends to September 15, 1948, the time within which The First National Bank of Boston may establish and open for business branches at Sao Paulo and Santos, United States of Brazil, in accordance with the provisions of its order of May 7, 1947."

Approved unanimously.

Letter to The Chase National Bank of the City of New York, Pine Street Corner of Nassau, New York 15, New York, reading as follows:

"This refers to the letter of April 12, 1948, from President A. W. McCain of your bank requesting an extension of time within which you may establish and open for business a branch at Berlin, Germany, for which authorization was given by the Board on April 7, 1947. Permission for the establishment of such branch was granted provided the branch were actually established and open for business on or before May 1, 1948.

"The Board of Governors of the Federal Reserve System extends to May 1, 1949, the time within which The Chase National Bank of the City of New York may establish and open for business the branch at Berlin, Germany, in accordance with the provisions of its order of April 7, 1947."

Approved unanimously.

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

4/20/48

-4-

"Reference is made to your letter of April 9, 1948, submitting the application of the Iowa Trust & Savings Bank, Estherville, Iowa, for permission to exercise fiduciary powers.

"In view of your recommendation and the information submitted, the Board of Governors of the Federal Reserve System grants the applicant permission, under the provisions of its condition of membership numbered 1, to exercise the fiduciary powers now or hereafter authorized under its articles of incorporation and the laws of the State of Iowa. The Board's approval is given subject to acceptance by the bank of the following standard conditions (numbered 4, 5, and 6 in the Board's Regulation H, but numbered as follows for the purposes of the applicant) prescribed in connection with the admission to membership of State banks exercising fiduciary powers:

6. Such bank shall not invest funds held by it as fiduciary in stock or obligations of, or property acquired from, the bank or its directors, officers, or employees, or their interests, or in stock or obligations of, or property acquired from, affiliates of the bank.
7. Such bank, except as permitted in the case of national banks exercising fiduciary powers, shall not invest collectively funds held by the bank as fiduciary and shall keep the securities and investments of each trust separate from those of all other trusts and separate also from the properties of the bank itself.
8. If funds held by such bank as fiduciary are deposited in its commercial or savings department or otherwise used in the conduct of its business, it shall deposit with its trust department security in the same manner and to the same extent as is required of national banks exercising fiduciary powers.

"You are requested to advise the Iowa Trust & Savings Bank, Estherville, Iowa, of the Board's action, and to obtain an appropriate resolution of the board of directors of the bank accepting the conditions listed above and forward a certified copy thereof to the Board."

Approved unanimously.

4/20/48

-5-

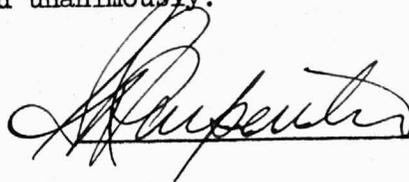
Letter to Mr. Volberg, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"This refers to your letter of March 29, 1948, and its enclosures, relating to a request which you have received from Union Bond & Mortgage Company, Port Angeles, Washington, for a ruling on the question whether a certain real estate contract is a readily marketable asset within the meaning of section 5144 of the Revised Statutes.

"Union Bond & Mortgage Company states that the contract covers the sale of a modern dwelling in one of the best residential districts of Port Angeles; that the property is conservatively appraised at \$10,000 and the unpaid balance under the contract is \$5250.85, payable in \$50 monthly installments, including interest at 5 1/2%; that the purchaser is steadily employed in a good position and is an excellent moral risk; and that payments have been made promptly. The Company also states that the contract contains a provision requiring the purchaser to apply for FHA financing at the seller's request and that it seems beyond question that the contract could be refinanced under an FHA Title II loan with little difficulty.

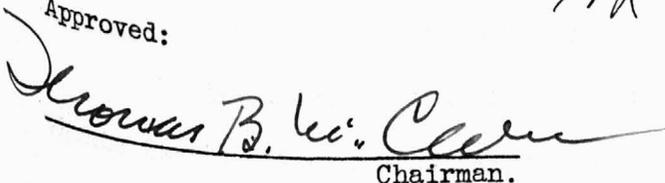
"The gist of the information submitted is that the contract is a sound and desirable asset and that the unpaid balance could be collected within a relatively short time through refinancing. Applying the principles set forth in the Board's letters of February 4, 1938, and November 15, 1940, to your Bank concerning Union Bond & Mortgage Company (F.R.L.S. #7210 and #7210.1), such facts alone do not justify the classification of an asset as a readily marketable asset within the meaning of section 5144; and the Board has no reason to differ with your conclusion that the contract in question should not be so classified."

Approved unanimously.



Secretary.

Approved:



Chairman.