

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, May 7, 1948. The Board met in the Board Room at 10:30 a.m.

PRESENT: Mr. McCabe, Chairman
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
Mr. Thomas, Director of the Division of Research and Statistics
Mr. Vest, General Counsel
Mr. Nelson, Director of the Division of Personnel Administration
Mr. Van Fossen, Assistant Director of the Division of Bank Operations
Mr. Young, Associate Director of the Division of Research and Statistics
Mr. Brown, Assistant Director of the Division of Research and Statistics

Mr. Bopp, Vice President of the Federal Reserve Bank of Philadelphia

There were presented telegrams to the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, St. Louis, Chicago, Minneapolis, and Dallas stating that the Board approves the establishment without change by the Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, St. Louis, Chicago, Minneapolis, and Dallas on May 6, 1948, and by the Federal Reserve Bank of Boston today of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Before this meeting there had been circulated a tentative agenda for the Conference of Chairmen of the Federal Reserve Banks to be held at White Sulphur Springs, West Virginia, on May 29 - 31,

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1948. The agenda, which was in the form agreed upon by the executive committee of the Chairmen's Conference at a meeting in Washington on Monday of this week, was discussed and the members of the Board indicated they had no suggestions to make with respect to it.

In discussing which members of the Board's staff should attend the Conference, it was explained that matters in the field of each of the division heads with the exception of the head of the Division of Administrative Services were on the agenda and that it would be desirable to have them present.

Mr. Sherman would attend as Secretary of the Conference.

Chairman McCabe thought it would be desirable to have all division heads present and suggested that that be done unless there was some objection.

It was voted unanimously to request Messrs. Carpenter, Morrill, Thurston, Smead Bethea, Thomas, Vest, Leonard, and Nelson, and Mr. Young, Associate Director of the Division of Research and Statistics, who would be on the program, to attend the Conference. In taking this action it was understood that before requesting these members of the staff to be present, Mr. Sherman would telephone Mr. Shepard, Chairman of the Conference, to ascertain whether he had any views as to the members of the staff who should attend.

Secretary's Note: After the meeting Mr. Sherman telephoned Mr. Shepard who said that he felt it would be desirable for persons primarily concerned with the matters on the agenda to be at the Conference and that if the Board felt it would be desirable to have the heads of all of the Board's divisions present he would have no objection and felt sure the other members of the executive committee would agree with this position.

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Reference was made to a memorandum prepared by Mr. Brown under date of April 29, 1948, reading as follows:

"The Special Libraries Association, an international organization of librarians and information experts, is holding its annual conference in Washington the week of June 7-11. The Financial Group is one of the most active in the S.L.A. and all the Federal Reserve Bank Librarians and the Board's library staff are members.

"It has been customary for local organizations in conference cities to entertain the groups in their fields of interest and for the local Federal Reserve Bank to entertain the visiting Federal Reserve librarians. The Board's library staff hopes that the Board may be willing to extend an invitation to the Financial Group for an afternoon reception, with refreshments at the Board, and to entertain the Federal Reserve librarians at a dinner as discussed below.

"There will probably be about two hundred Financial Group librarians who will want to visit the Board's Library. To avoid continual interruption of the work of the Library by visits during the whole week it is recommended that a reception be held on Wednesday, June 9, from 3 to 5 p.m. It is estimated that the refreshments would cost \$35.

"In addition to the regular general and group meetings, conferences on Federal Reserve Library problems are to be held on Tuesday, June 8. Fifteen to twenty librarians from the twelve Federal Reserve Libraries are planning to attend the conferences. It is hoped that the Board may be willing to finance a dinner for these Federal Reserve Bank librarians, seven members of the Board's Library staff, Miss Helen Costello, Librarian of the Bank of Canada, and any other foreign central bank librarians in attendance at the convention. It is estimated that the dinner for the twenty-three people would cost \$103.50. If more Federal Reserve librarians attend, the expense would increase at the rate of \$4.50 per person.

"If the Board approves these suggestions, the Miscellaneous items of the Division's budget should be increased by the amount of the expenditures.

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"The registration fee is \$5.00 for the three days during which the conference will be in session or \$2.00 for a single day. Staff members would benefit materially by attending some of the meetings and we recommend that the Board authorize payment of the registration fee for any staff member. Probably only two members would wish to attend more than one day. No increase in the budget need be provided."

Chairman McCabe said that he felt that the Board should participate in the conference and provide the entertainment as outlined in the memorandum.

The recommendations contained in Mr. Brown's memorandum were approved unanimously.

Mr. Brown left the meeting at this point.

Reference was made to a letter dated April 7, 1948, from Mr. Sproul, President of the Federal Reserve Bank of New York, asking that the Board reconsider that part of its letter of April 2, 1948, which stated that the Board felt, after careful consideration, that there was not adequate justification for the expenditure that would be involved in sending Mr. Robert V. Rosa of the New York Bank's staff on a trip to London during the summer of this year. Mr. Sproul's letter of April 7 gave additional information concerning the proposed trip for Mr. Rosa and Mr. Carpenter stated that Mr. Szymczak, who could not attend this meeting because of absence from the city, felt that the Board should now approve the proposed trip for Mr. Rosa.

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Mr. Thomas stated that an additional reason for approving the trip now was that Mr. Harley, economist in the Division of Research and Statistics who, at the meeting of the Board on April 2, was authorized to visit the United Kingdom this summer, would not make the trip because he was leaving the Board's staff.

Upon motion by Mr. Clayton, it was agreed unanimously that Mr. Sproul be advised by letter as follows:

"Upon consideration of the further information supplied in your letter of April 7 regarding the proposed visit of Mr. Robert V. Rosa of your staff to London and the Continent this summer on business of the Bank, the Board has approved the proposal as outlined by you in your letters of March 19 and April 7.

"We shall, of course, be glad to be of help to Mr. Rosa with his passport if necessary and to give him letters of introduction."

There was then presented a memorandum dated April 27, 1948, from Mr. Thomas transmitting a memorandum dated April 22, 1948, which described and explained "A Proposal for Uniform Reserve Requirements for all Member Banks" worked out by the System Research Committee on Banking and Credit Policy. The memorandum, copies of which had been distributed to members of the Board before this meeting, stated that the proposal was not submitted as a recommendation of the Committee, but rather as a plan which represented the Committee's best judgment as to a workable long-run solution to the reserve requirement problem on which the Committee had been working at the request of the Board and the Presidents' Conference.

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In this connection, Mr. Carpenter read a memorandum from Mr. Vardaman as follows:

"Reference is made to Messrs. Thomas' and Young's memorandum of April 27, on the subject of Uniform Reserve Requirements for all Member Banks.

"I have requested that this matter be put on the Board's docket for discussion at an early date, with the view to asking the Board to consider the advisability of appointing a special committee of the Board, consisting of probably three members, who shall be requested to pursue a study of this question, under directions from the Board. The problem is so important and so vital to all banks and to the country at large, and there are so many divergent interests involved, that the proposal should be discussed at length with the other appropriate Federal Government and State agencies, as well as with appropriate banking and industrial associations. Unless all of these units feel that they have had a part in the final recommendation to be made on this question, it is doubtful that the proposal will meet with success ultimately."

There was a discussion of the procedure for studying the reserve proposal prepared by the Committee and it was agreed that a special meeting would be held at 10:30 a.m. on Monday, May 10, 1948, for a discussion of the proposal.

In this connection, Mr. Morrill called attention of the Board to the fact that Mr. Horbett, Assistant Director of the Division of Bank Operations, recently completed a thesis in connection with his work at the Graduate School of Banking at Rutgers University, that the thesis was on the subject of State bank reserve requirements and bank credit control, and that the Board

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might wish to have Mr. Horbett present a summary of his thesis at a meeting.

It was the consensus that it would be desirable to arrange for a meeting for this purpose in the near future.

Mr. Carpenter stated that, pursuant to the discussion at the meeting on January 30, 1948, a meeting of the Board with the Committee of Directors on Welfare of Staff of the Federal Reserve Bank of New York, consisting of Messrs. Calkins, Chairman, Adams, Aldrich, and Myers, had been arranged for 12:30 p.m. on Friday, May 14, 1948, in the Blue dining room, and that Mr. Sproul, President of the Federal Reserve Bank of New York, probably would attend the meeting.

There was a brief discussion of the matters that might be presented by the Bank committee and it was the consensus of the members present that the proposals submitted by the committee should be received and considered by the Board at a subsequent meeting on the basis of the recommendation of the Personnel Committee as to the action to be taken.

Reference was made to a memorandum from Mr. Van Fossen prepared under date of May 5, 1948, with respect to the replies received from the Federal Reserve Banks in response to the Board's letter of April 5, 1948, concerning the acceptance by the Federal

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Reserve Banks of custody receipts as collateral to advances to member banks. The memorandum stated that three of the Federal Reserve Banks (Philadelphia, Atlanta, and Dallas) approved the issuance of the statement in the form proposed by the Board, while nine were opposed to its issuance for reasons stated in the memorandum. Several of the nine stated that if any formal announcement were to be made, it would be desirable to word the statement so that it would show clearly that a Federal Reserve Bank might "within its discretion and for brief periods" accept such custody receipts in the manner proposed by the Board.

Mr. Carpenter said that the matter was brought up at this meeting because it was on the agenda for the forthcoming Presidents' Conference and it seemed desirable for the Board to reach a conclusion regarding the position it would take before that time.

In discussing the matter a majority of the members of the Board felt that, for reasons discussed the adoption of the statement suggested by the Board in its letter of April 5, 1948, was desirable and that the replies from the Presidents had not presented convincing reasons why it should not be issued.

Chairman McCabe suggested that the Board might consider adopting the change proposed by some of the Presidents as a trial step with the thought that the arrangement suggested by the Board

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could be put into effect later if necessary.

Mr. Vest said that the Presidents had indicated that they would like to be in the position of accepting receipts only from banks in which they had confidence, that the suggestions received were mainly for modification of the wording to indicate that the Banks would accept such receipts in their discretion, and that if the Board's policy statement was modified along these lines it would go a considerable way in meeting the objections that had been advanced by the individual Presidents. Mr. Vest also commented that a question had been raised by the Presidents as to whether notes collateraled by custody receipts could be used as collateral for Federal Reserve notes, and he expressed the opinion that they could be so used under the language of the Federal Reserve Act. He added that there was a technical question as to the form of the custody receipt, but that there was nothing which could not be readily worked out to make them acceptable.

During the course of the discussion, it was suggested that Messrs. Vardaman and Clayton discuss the matter with the Presidents before the Conference took any further action with respect to it, and it was agreed unanimously that the Secretary should write to Mr. Davis, Chairman of the Conference, as follows:

"The Board has received replies from all the Federal Reserve Banks to its letter dated April 5, 1948,

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"asking for their views on a proposed statement of policy with respect to the acceptance of custody receipts as collateral for advances to member banks. It is noted that this topic is on the agenda for the forthcoming Presidents' Conference and it has occurred to the Board that it would be helpful if, before the Presidents formulate their conclusions on the matter, opportunity could be given Messrs. Vardaman and Clayton to discuss it at one of the Conference sessions. If this can be arranged and you will let me know when the matter is to be taken up at the Presidents' Conference, I will advise Messrs. Vardaman and Clayton so that they can be available for the discussion."

Messrs. Solomon and Wood, Assistant Counsel and Economist, respectively, entered the meeting at this point.

Mr. Clayton referred to a memorandum prepared under date of April 30, 1948, by Messrs. Solomon and Wood, with respect to a proposed bill, H. R. 2799, which would make substantial changes in the operations of the Federal Home Loan Banking System concerning which the Board had submitted a report to the Bureau of the Budget in a letter dated April 16, 1948. The memorandum stated that subsequent to the Board's letter the bill was changed somewhat and was submitted to the Senate Banking and Currency Committee with a letter from Mr. Foley, Administrator of the Housing and Home Finance Agency, which implied that all Government agencies, including the Board, were in agreement on the proposal. The memorandum stated that some of the provisions which were objected to in the Board's letter of April 16 had been removed from the

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revised bill, but that it still would (1) authorize the Secretary of the Treasury to purchase obligations of the Federal Home Loan Banks up to \$1 billion; (2) authorize the Secretary of the Treasury to loan to the Federal Savings and Loan Insurance Corporation up to \$750 million at the request of the Home Loan Bank Board; and (3) make insured share accounts of savings and loan associations lawful investments for fiduciary and public funds.

Mr. Clayton stated that for years the Board had been opposing legislation which would have the effect of bringing building and loan associations closer to having the status of banks, that in the present instance the Board was on record with the Bureau of the Budget that it opposed the legislation, but that the letter submitted by the Housing and Home Finance Agency to the Senate Banking and Currency Committee probably conveyed another impression, and that he would favor taking steps to make clear to the Senate Banking and Currency Committee the Board's position.

Mr. Vest stated that through an attorney of the Federal Deposit Insurance Corporation he had learned that Mr. Fitzpatrick, General Counsel of the Housing and Home Finance Agency, had offered to make clear to the Banking and Currency Committee the Board's position. Mr. Vest said that he also had talked with Mr. Brott, Assistant Counsel of the American Bankers Association, which

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planned to request an opportunity to appear before the Committee or file a statement in opposition to the bill.

In response to a question from Mr. Vardaman, Mr. Clayton stated that he would suggest that the Board advise the appropriate Committees of Congress of its views on the present bill and endeavor to get the Federal Deposit Insurance Corporation, which had submitted a letter in opposition to the earlier bill, to write another letter, either jointly with the Board, or concurrently. Mr. Clayton also suggested that it would be desirable to talk with Mr. Wiggins, Under Secretary of the Treasury, to find out what the Treasury's position with respect to the bill would be, although it was understood that top-level Treasury officials previously had decided not to send a letter which had been prepared by the Treasury staff opposing the provisions of the bill as originally submitted. It was his further thought that before a letter was sent to the Senate Banking and Currency Committee, it might be ascertained informally whether Chairman Tobey wanted the Board's views.

After a discussion, upon motion by Mr. Vardaman, it was agreed unanimously that Mr. Clayton should discuss the matter with the appropriate officials of the Federal Deposit Insurance Corporation and the Treasury Department and that he should find out from Mr. L'Heureux, Chief Counsel of the Senate

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Banking and Currency Committee, whether additional hearings might be held in connection with the legislation or whether statements could be filed, and that he would report back to the Board concerning the results of his discussions.

Mr. Evans presented a memorandum from Mr. Thurston dated April 23, 1948, suggesting that the Board pay for restoring the surface of the three tennis courts located in the parking lot north of the Board building at an estimated cost of approximately \$800. In discussing the memorandum the suggestion was made that the Board also assume the cost of keeping the surface of the courts in playing condition hereafter as a regular part of the Board's building and property maintenance, inasmuch as the tennis courts are a part of the landscaping on the lot.

Upon motion by Mr. Evans, it was voted unanimously (1) to approve an expenditure of approximately \$800 for the purpose of restoring the surface of the three tennis courts on the rear portion of the Board's parking lot fronting on C Street, and (2) to assume the costs of maintaining the tennis courts in playing condition hereafter, including the maintenance of equipment for the courts. The Board also approved an increase in the appropriate item of the non-personal budget of the Division of Administrative Services to cover the expenditures involved.

In taking the above action it was understood that the tennis courts would continue to be supervised by the Reserve Board Club.

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Chairman McCabe stated that while he was at White Sulphur Springs, West Virginia, attending a meeting of the Business Advisory Council he had several conversations with Mr. Robert T. Stevens, Jr., about his appointment by the Board as a Class C Director and Chairman and Federal Reserve Agent at the Federal Reserve Bank of New York and that Mr. Stevens had indicated a willingness to accept the appointment and to give up his membership on the boards of directors of two banks and other companies but that he did not want to give up his membership on the board of the Mutual Life Insurance Company of New York. Mr. Stevens felt, Chairman McCabe said, that having spent a very great deal of effort over a period of more than 12 years building the organization of the insurance company, he did not want to give up his place on that board, where he was among the senior four or five directors, in order to qualify as Chairman of the Federal Reserve Bank. Chairman McCabe added that having in mind Mr. Creighton, Chairman of the Federal Reserve Bank in Boston who has continued to serve as a director of the John Hancock Mutual Life Insurance Company, he told Mr. Stevens that the Board had not taken the position that it was necessary for Class C directors in all cases to resign as directors of insurance companies and that he (Chairman McCabe) would like to discuss the matter with other members of the Board before Mr. Stevens made his decision.

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While Chairman McCabe was still at White Sulphur Springs he called Mr. Evans and asked him to discuss the matter with members of the Board who were in Washington so they had had an opportunity to review it in the light of the consideration which the Board had given to the question on previous occasions including the ruling of the Board that an officer of an insurance company is not eligible for election as a Class B director of a Federal Reserve Bank.

Mr. Draper asked that the matter be discussed in executive session whereupon all of the members of the staff withdrew with the exception of Messrs. Carpenter and Morrill.

At Mr. Draper's request the Secretary read a memorandum which Mr. Draper had prepared in anticipation of this meeting in which it was stated that any opinion he might express about the problem had nothing to do with the fine character, integrity, and ability of Mr. Stevens but that because of the close relationship of the Federal Reserve Bank of New York with the operations of the System open market account and, because of the situations that might arise as a result of that close relationship which might embarrass Mr. Stevens and the Board, it seemed that for the protection of Mr. Stevens and the Board it would be advisable not to appoint him as Chairman and Federal Reserve Agent

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at the Federal Reserve Bank of New York as long as he continued as a director of the Mutual Life Insurance Company of New York.

In the ensuing discussion Messrs. Evans and Vardaman indicated that they would be willing to make the appointment regardless of whether Mr. Stevens continued as a director of the life insurance company, their feeling being that as Chairman of the Federal Reserve Bank of New York he would not be in a relationship to the operations of the System open market account that would be materially different from a director of a large New York bank who was serving as a Class A director of the Reserve Bank.

Mr. Clayton said that the Chairman of the Federal Reserve Bank of New York is closer to the open market operations than is the case at any other Federal Reserve Bank; that he questioned whether the director of an insurance company with a large investment in Government securities, even though he had no immediate responsibility for the company's investments, should be placed in a position where he, the Federal Reserve Bank, or the Board of Governors might be embarrassed; and that the decision on this important matter should not be made until all of the members of the Board were present. In connection with a reference to whether the position of a Class A and Class C director were any different in a situation of this kind, Mr. Clayton expressed the view that

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the Board had no voice in the selection of Class A directors but that it should determine the conditions under which it would appoint Class C directors.

Chairman McCabe said that ordinarily he would have the same question as Mr. Clayton, but, because of Mr. Stevens outstanding qualifications, he would like to have him accept the appointment even if he were not willing to resign his directorship with the insurance company, because he felt that when Mr. Stevens became interested in the work of the Federal Reserve Bank he would resign voluntarily from the insurance company board. Chairman McCabe did not think the relationship of the New York Bank to the Federal Open Market account was an obstacle to the appointment and would not be any more likely to give rise to embarrassing situations than the service of a director or officer of a large New York Bank.

At the conclusion of the discussion, it was understood that Chairman McCabe would continue his discussions with Mr. Stevens with a view to his resigning from the board of the insurance company and that, if it finally developed that he was not willing to sever that connection, the matter of his appointment as Chairman of the Federal Reserve Bank of New York would be considered at a meeting of the Board at which all of the members could be present.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on May 6, 1948, were approved unanimously.

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Letter to the President of the United States reading as follows:

"This will acknowledge receipt of your letter of April 28, 1948, requesting the wholehearted cooperation of Heads of Departments, Agencies and Independent Establishments of the Government in furthering the Security Loan Drive which the Treasury Department launched in mid April and which will continue through June 30.

"The Board is bringing your letter to the attention of all of its employees with the request that they review their present participation in the pay roll savings plan and, if possible, increase the amount which they allot to the purchase of United States Savings Bonds. The Board has taken pride in the record made by its employees during and after the war and the percentage of participation of its employees both in number and dollars has ranked near the top among Agencies of the Government.

"You may rest assured that the Treasury will have our complete cooperation during the campaign."

Approved unanimously.

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

"The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Boston for the period May 1, 1948 through April 30, 1949, at the rates indicated, which are the rates fixed by the Board of Directors as reported in your letter of May 3, 1948:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Laurence F. Whittemore	President	\$25,000
William Willett	First Vice President	18,000
Ellis G. Hult	Vice President	14,000
Earle O. Latham	Vice President	11,000
Alfred C. Neal	Vice President and Director of Research	11,000
Carl B. Pitman	Vice President	16,000

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<u>"Name"</u>	<u>Title</u>	<u>Annual Salary</u>
Oscar A. Schlaikjer	Vice President and General Counsel	\$16,000
Roy F. Van Amringe	Vice President	11,000
Robert B. Harvey	Cashier	10,000
Ansgar R. Berge	Secretary and Assistant Counsel	10,000
Edward A. Davis, Jr.	Assistant Vice President	9,000
Dana D. Sawyer	Assistant Vice President	8,000
Louis A. Zehner	Assistant Vice President	8,500
Elmo O. Adams	Assistant Cashier	6,750
Frank C. Gilbody	Assistant Cashier	8,000
Edward R. Murphy	Assistant Cashier	7,500
Edward W. O'Neil	Assistant Cashier	6,750
John J. Rock	Assistant Cashier	6,750
John J. Fogg	Auditor	10,000
Elliot S. Boardman	Budget Officer	7,200"

Approved unanimously.

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

"Reference is made to your letter of April 29, 1948, advising of the appointment of Mr. William R. Sandstrom as an Acting Assistant Manager of the Seattle Branch at his present salary of \$4,920 per annum.

"In accordance with the action taken by the Board of Directors, the Board of Governors approves the payment of salary to Mr. Sandstrom at the rate of \$4,920 per annum, during the period he occupies the official position of Acting Assistant Manager of the Seattle Branch, but not beyond April 30, 1949.

"The members of the Board sincerely regret to learn from your letter of Mr. Shaw's illness and his expected hospitalization for a further period of two months. It is noted also that, during Mr. Shaw's absence, Mr. Davis will visit Seattle periodically and keep in touch with developments there."

Approved unanimously.

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

"In accordance with the recommendation contained in your letter of April 30, 1948, the Board of Governors approves the establishment and operation of a branch at 4493 Mayfield Road, South Euclid, Ohio, by The Cleveland Trust Company, Cleveland, Ohio, provided such branch is established within six months of the date of this letter and with the understanding that Counsel for the Reserve Bank will review and satisfy himself as to the legality of the steps taken to establish the branch."

Approved unanimously.

Letter to "The First National Bank of Leesburg", Leesburg, Florida, 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, 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 Florida, 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.

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Letter to the Honorable Charles W. Tobey, Chairman, Banking and Currency Committee, United States Senate, reading as follows:

"In connection with general housing legislation, particularly S. 866, which your Committee has had under consideration, there is enclosed a copy of a resolution which the Federal Advisory Council has adopted on the subject. The resolution approves the suggestions contained in the Board's letter of April 5, 1948 and expresses general agreement with the statement of November 25, 1947 on this subject, and copies of these documents which discuss reasons why certain provisions of this legislation are undesirable are enclosed for your convenient reference."

Approved unanimously, together with letters to Messrs. Jesse P. Wolcott and Robert A. Taft, Chairmen of the Banking and Currency Committee, House of Representatives, and the Joint Committee on the Economic Report, respectively.

Memorandum dated May 6, 1948, from Mr. Leonard, Director of the Division of Examinations, and Mr. Van Fossen, Assistant Director of the Division of Bank Operations, recommending, for the reasons stated in the memorandum, that the Board authorize an additional payment of \$14.95 on the expense accounts of Messrs. Thompson and Hurley of the Divisions of Examinations and Bank Operations, respectively, in connection with travel performed on the Trans-america investigation.

Approved unanimously.

Letter to the Comptroller of the Currency reading as follows:

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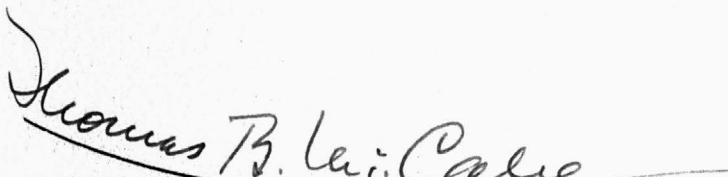
"It is respectfully requested that you place an order with the Bureau of Engraving and Printing, supplementing the order of June 19, 1947, for the printing of Federal Reserve notes of the Federal Reserve Bank of Atlanta in the amount and denomination stated below:

Denomi- nation	Number of sheets	Amount
\$5	180,000	\$10,800,000"

Approved unanimously.


Secretary.

Approved:


Chairman.