

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, June 2, 1948.

PRESENT: Mr. Eccles, Chairman pro tem.
Mr. Szymczak
Mr. Draper
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 June 1, 1948, were approved unanimously.

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

"This refers to Mr. Schlaikjer's letter of May 20, 1948, stating that your Bank has found it advisable to employ Mr. John T. Noonan as special counsel for your Bank to resist real estate tax assessments by the City of Boston on the Bank premises and on the adjacent property which has been acquired for additional building purposes.

"It is noted that Mr. Noonan handled litigation for your Bank in connection with similar proceedings for the years 1937-41; that substantial savings will be realized by the Bank in the event you are successful in having the assessment reduced to a figure comparable to that during the period 1937-41; that while it is not now possible to determine the exact amount of Mr. Noonan's fee, he has indicated that it will not exceed \$8,500; that the fee will be less depending upon the extent material previously prepared is used; and that the fee will be substantially less in the event it is not necessary to litigate the matter.

"The Board approves the payment of compensation to Mr. Noonan subject to the conditions stated in Mr. Schlaikjer's letter."

Approved unanimously.

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

"The Board approves the payment of salary to Mr. Lloyd B. Raisty as Senior Economist, Grade XVI, at the rate of \$8,000 per annum, effective June 1, 1948, as requested in your letter of May 26, 1948.

"Since this salary is in excess of the maximum of the grade in which Mr. Raisty's position will be classified, it is understood that any changes in his salary will be presented to the Board."

Approved unanimously.

Telegram to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"Retel May 26 Board approves employment law firm of Mayer Meyer Austrian & Platt and attorney Marshall V. Kearney of Chicago as special counsel in tax matter on terms stated in your telegram."

Approved unanimously.

Letter to Mr. Leach, Chairman of the Committee on Operations of the Conference of Presidents, Federal Reserve Bank of Richmond, reading as follows:

"It has recently been brought to the attention of the Board that according to their time schedules some of the Federal Reserve Banks accept for two days' deferred credit country items drawn on all par remitting banks in States which are located in whole or in part in their districts, but that some other Banks give three days' deferred credit for country items drawn on banks in those parts of such States which are not located in their districts.

"For example, Chicago gives two days' deferred credit for country items drawn on any bank in the State of Illinois that remits at par, even though part of the State is located in the Eighth Federal Reserve District;

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"whereas Atlanta gives two days' deferred credit for country items drawn on banks in that part of Alabama attached to the Atlanta territory and three days' deferred credit for such checks drawn on banks in that part of Alabama located in the Birmingham zone.

"This difference is of considerable importance in connection with the proposed requirement that member banks with 300 or more items payable in the territory of another Federal Reserve Bank or branch either route such items direct to such other Federal Reserve Bank or branch or sort and list the items separately if they deposit them with their own Federal Reserve Bank. It is understood that some of the Federal Reserve Banks at least think this is not a worthwhile requirement in so far as it relates to items payable in States which are partly in one district and partly in another district. It is believed that this matter is of such importance as to warrant its being referred to the Committee on Collections for study and recommendation.

"A review of the time schedules of the Federal Reserve Banks also shows differences with respect to the method of determining deferred availability. Some Banks use calendar days in determining the period of deferment for cash items drawn on banks in Federal Reserve Bank and branch cities and business days in determining deferment for country items, while other Banks use business days for determining deferment for both city and country items.

"The Board would appreciate it if this matter also could be referred to the Committee on Collections for the purpose of ascertaining whether it would be practicable for all Reserve Banks to adopt a similar practice in this respect."

Approved unanimously.

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

"Some preliminary plans recently prepared for Federal Reserve Bank branch buildings have provided for installation of equipment to supply emergency electric power in the event of disruption of the normal power supply. Such emergency service would be the minimum necessary to provide

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"light and power to permit safe evacuation of the building and the transfer of money and securities to the vaults. The Board's files do not contain complete information regarding the existence of such facilities at the various Banks and branches, and it will be appreciated if you will let us know whether your Bank's buildings are so equipped and, if so, the general scope of the emergency electric service provided.

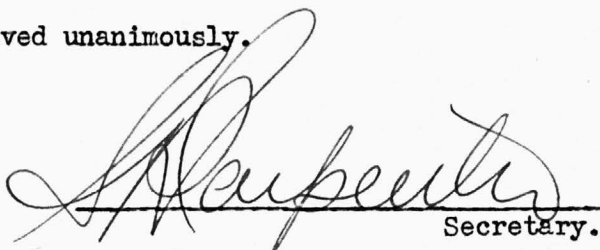
"We should also appreciate having your opinion as to the desirability of installing such equipment, where not provided, as an additional protective measure."

Approved unanimously.

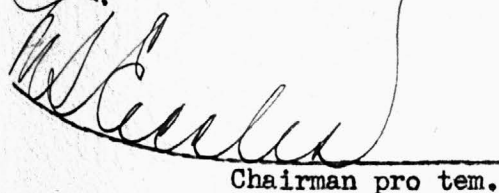
Memorandum dated June 2, 1948, from Mr. Hooff, Assistant Counsel, recommending that there be published in the law department of the June issue of the Federal Reserve Bulletin statements in the form attached to the memorandum with respect to the following subjects:

Real Estate Loans
 Reconstruction Finance Corporation Participation
 Reserves
 Central Reserve City Banks

Approved unanimously.


 Secretary.

Approved:


 Chairman pro tem.