Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, June 17, 1948.

PRESENT: Mr. Eccles
Mr. Draper
Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Board

Memorandum dated June 15, 1948, from Mr. Carpenter recommending, for the reasons stated in the memorandum, that the Board authorize the discontinuance of a monthly report submitted by the Division of Administrative Services to the Personnel Committee as to the amount of overtime payments, with the understanding that if at any time the Director of the Division of Administrative Services felt that any payments should be brought to the attention of the Personnel Committee, he would see that that was done.

Approved unanimously.

Letter to Mr. Brainard, Chairman of the Federal Reserve Bank of Cleveland, reading as follows:

"In a letter dated June 10, 1948, Mr. Wilbur T. Blair, Secretary, advised that Mr. A. H. Burchfield, Jr., who was appointed by the Board of Governors as a director of the Pittsburgh Branch, had been appointed to the Board of Directors of the Union National Bank of Pittsburgh, Pittsburgh, Pennsylvania."
As you are aware, the regulations relating to Branches of Federal Reserve Banks provide in part that Branch directors appointed by the Board of Governors shall be persons who are not primarily engaged in banking and preferably are not directors of banks, although they may be stockholders.

"It is assumed that Mr. Burchfield plans to continue to serve as a director of the Branch and the Board will be glad to have him serve for the balance of the year 1948. However, he would be ineligible for reappointment at the end of his present term which expires on December 31, 1948.

"It would be appreciated if you would bring this matter to Mr. Burchfield's attention."

Approved unanimously.

Letter to Mr. Leedy, President of the Federal Reserve Bank of Kansas City, reading as follows:

"The Board approves, for the reasons outlined in your letter of June 8, 1948, the payment of salary to Mr. E. P. Tyner, at the rate of $8,600 per annum, and to Mr. Virgil A. Stewart, at the rate of $2,865.60 per annum, for the period July 1, 1948, to June 30, 1949, inclusive.

"It is the feeling of the Board that it would not look with favor upon the continuation of these two employees in active service beyond June 30, 1949."

Approved unanimously.

Letter to Mr. Sheehan, Chief Examiner of the Federal Reserve Bank of New York, reading as follows:

"Reference is made to your letter of June 11, 1948, submitting a request by The County Trust Company, White Plains, New York, for approval of a change in the location of its branch office now located in the waiting room of the New York Central Railroad Station in Mount Vernon, New York, to a new location 300 feet away and across the station plaza.

"This was submitted for consideration pursuant to the Board's letter of September 26, 1936 (X-9703; FRLS #3574)."
"On the basis of the facts presented, it does not appear the proposal constitutes establishment of a branch within the meaning of the applicable provisions of section 9 of the Federal Reserve Act. Therefore, the Board will interpose no objection to the change in location. It is noted that approval of the New York State authorities has been obtained."

Approved unanimously.

An application had been received under date of May 12, 1948, from "Bank of America National Trust and Savings Association", San Francisco, California, requesting approval of the Board to establish and maintain branches of the bank in Kobe, Japan, and in Yokohama, Japan, and a letter had been received under date of May 17, 1948, from Mr. Volberg, Vice President of the Federal Reserve Bank of San Francisco, recommending that the application be approved. The Board had also been advised by the Department of State on May 19, 1948, by the Office of the Comptroller of the Currency on June 1, 1948, and by the Department of the Army on June 4, 1948, that those departments had no objection to the establishment of the proposed branches. In this connection there were submitted drafts of letters to the "Bank of America National Trust and Savings Association" reading as follows:

"The Board of Governors of the Federal Reserve System authorizes Bank of America National Trust and Savings Association, San Francisco, California, pursuant to the provisions of section 25 of the Federal Reserve Act, to establish a branch at Kobe, Japan, and to operate and maintain such branch subject to the provisions of such section; upon condition that unless the branch is actually established and opened for business on or before July 1, 1949, all rights
"granted hereby shall be deemed to have been abandoned and the authority hereby granted shall automatically terminate on such date."

"The Board of Governors of the Federal Reserve System authorizes Bank of America National Trust and Savings Association, San Francisco, California, pursuant to the provisions of section 25 of the Federal Reserve Act, to establish a branch at Yokohama, Japan, and to operate and maintain such branch subject to the provisions of such section; upon condition that unless the branch is actually established and opened for business on or before July 1, 1949, all rights granted hereby shall be deemed to have been abandoned and the authority hereby granted shall automatically terminate on such date."

Approved unanimously, together with a letter to Mr. Volberg, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Enclosed are letters of the Board of Governors authorizing Bank of America National Trust and Savings Association, San Francisco, California, to establish branches at Kobe and Yokohama, Japan, which you will please deliver to the bank. Copies of these letters are enclosed for your files.

Please ask the bank to note that the authority to establish the branches will automatically terminate on July 1, 1949, if both branches are not actually established and opened for business on or before that date, and request the bank to advise the Board in writing through the Federal Reserve Bank of San Francisco when the branches are so established and opened for business."

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

"Reference is made to your letter of May 27, 1948, submitting the application of The Security State Bank of Pecos, Texas, 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 association and the laws of the State of Texas.

"In view of the Board's action of June 11, 1948, with respect to elimination of the three standard trust conditions, no requirement is made herein for acceptance by the applicant of such conditions.

"You are requested to advise The Security State Bank of Pecos, Texas, of the Board's action."

Approved unanimously.

Memorandum dated June 16, 1948, from Mr. Smead, Director of the Division of Bank Operations, recommending that the Board authorize the printing of the July 1948 issue of the Par List in the form attached to the memorandum.

Approved unanimously, together with a telegram to the Presidents of all Federal Reserve Banks reading as follows:

"Board has approved printing of July 1948 Par List with changes outlined in Mr. Smead's June 4 letter and June 14 telegram. Please submit manuscript for States in your District in revised form and reflecting changes since October 1946 issue, to reach here by June 28 if practicable. Printer's proof will be sent you early in July, with request for telegraphic advice of further changes to bring the Par List up to date."

Memorandum dated June 15, 1948, from Mr. Bethea, Director of the Division of Administrative Services, recommending that an assessment of two hundred and seventy-three thousandths of one per cent (.00273) of the total paid-in capital and surplus (sections 7 and 13b) of the Federal Reserve Banks as of June 30, 1948,
be levied against the Federal Reserve Banks for the general expenses of the Board of Governors for the period July 1 to December 31, 1948, and that the Banks be instructed to pay in the assessment in two equal installments on July 1, 1948, and September 1, 1948.

The following resolution levying an assessment in accordance with the above recommendation was adopted by unanimous vote:

"RESOLUTION LEVYING ASSESSMENT

"WHEREAS, Section 10 of the Federal Reserve Act, as amended, provides among other things, that the Board of Governors of the Federal Reserve System shall have power to levy semiannually upon the Federal Reserve Banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and the salaries of its members and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year, and

"WHEREAS, it appears from a consideration of the estimated expenses of the Board of Governors of the Federal Reserve System that for the six months' period beginning July 1, 1948, it is necessary that a fund equal to two hundred and seventy-three thousandths of one percent (.00273) of the total paid-in capital stock and surplus (Section 7 and Section 13b) of the Federal Reserve Banks be created for such purposes, exclusive of the cost of printing, issuing and redeeming Federal Reserve notes;

"NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, THAT:

(1) There is hereby levied upon the several Federal Reserve Banks an assessment in an amount equal to two hundred and seventy-three thousandths of one percent (.00273) of the total paid-in capital and surplus (Section 7 and Section 13b) of each such Bank at the close of business June 30, 1948.

(2) Such assessment shall be paid by each Federal Reserve Bank in two equal installments, the first on July 1, 1948, and the second on September 1, 1948.
"(3) Every Federal Reserve Bank except the Federal Reserve Bank of Richmond shall pay such assessment by transferring the amount thereof on the dates as above provided through the Interdistrict Settlement Fund to the Federal Reserve Bank of Richmond for credit to the account of the Board of Governors of the Federal Reserve System on the books of that Bank, with telegraphic advice to Richmond of the purpose and amount of the credit, and the Federal Reserve Bank of Richmond shall pay its assessment by crediting the amount thereof on its books to the Board of Governors of the Federal Reserve System on the dates as above provided."

Approved:

[Signature]

[Title]

Member.