

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

PRESENT: Mr. McCabe, Chairman
 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 December 17, 1948, were approved unanimously.

Memoranda from the heads of the divisions indicated below recommending that the resignations of the following employees in those divisions be accepted, to be effective, in accordance with their requests, as of the dates shown, with the understanding that lump sum payments would be made for annual leave remaining to their credit as of those dates:

<u>Date of Memo.</u>	<u>Name</u>	<u>Title</u>	<u>Effective Date</u>
12/17/48	Mrs. Beverly C. Lacey	Clerk-Typist	12/17/48
12/17/48	Mrs. Hazel M. Glover	Elevator Opr.	12/29/48

Approved unanimously.

Letter to the board of directors of the "Central State Bank", Calera, Alabama, stating that, subject to conditions of membership

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numbered 1 and 2 contained in the Board's Regulation H and the following special condition, the Board approved 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:

- "3. Such bank shall increase the number of its directors to not less than five, the minimum number required in the case of all member banks under the provisions of Section 31 of the Banking Act of 1933, as amended."

Approved unanimously, together with a letter to Mr. McLarin, President of the Federal Reserve Bank of Atlanta, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the Central State Bank, Calera, Alabama, 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 Alabama, for his information.

"In connection with condition of membership numbered 3 it has been noted that the bank has already made plans for the appointment of an additional director at the stockholders' meeting in January 1949. With the understanding that the required action will be taken at that time, the Board will not object to the admission of the bank to membership with only four directors."

Recommendation dated December 15, 1948 from the Personnel Committee that travel expenses of Board personnel in connection with the hearing in the proceeding against Transamerica Corporation under the Clayton Act be authorized as follows:

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"1. Except as referred to below the Board participant should be allowed such expenses incurred in connection with travel as are authorized by the official travel regulations of the Board.

"2. If a participant drives a private automobile, mileage should be allowed from Washington to the location of the several hearings and return at the rate of $6\frac{1}{2}$ cents per mile.

"3. If the wife of a Board participant accompanies or joins him during such travel, there should be allowed, in addition to his transportation expenses, the cost of one round-trip railroad fare (including any Pullman accommodations that can be purchased with one fare) or plane fare, to the principal locations of the hearings and return to Washington. Actual expenses of the wife for meals during such travel should also be allowed. Such additional allowances would not be claimed where travel was by automobile.

"4. The Board should allow rent, as shown by receipted bills submitted by the participant, of a small, modest, furnished apartment or suitable room at the discretion of the participant. It would not be possible for him to select accommodations under this authority and then wait for specific approval by the Board and therefore it would be my suggestion that he be authorized to incur such expenses in such reasonable amount as may be necessary in the circumstances.

"5. While occupying the accommodations referred to in paragraph 4 above each participant should be allowed a per diem in lieu of subsistence of \$8.00."

Approved unanimously, with the understanding that the expenses of Mr. Hodge, Technical and Legal Adviser to Mr. Evans, would be absorbed by the Federal Reserve Bank of Chicago.

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

"For your information the Board is receiving numerous telegrams from automobile dealers in many States, suggesting that Regulation W be modified to permit more liberal instalment terms in connection with the sale of new automobiles. Many of the senders are Kaiser-Frazer

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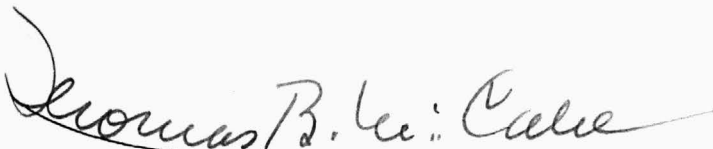
"dealers, and typical of the suggestions made is the proposal that 24 months be permitted in any case where the unpaid balance exceeds \$1,500 after the required down payment.

"All of the senders are being assured that their views will be considered by the Board in its continuing study of the scope and effect of Regulation W. At the last meeting of Federal Reserve Bank Chairmen, it was the consensus that Regulation W should not be amended in these respects on the basis of developments so far in the economic situation."

Approved unanimously.


Secretary.

Approved:


Chairman.