

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, June 20, 1949.

PRESENT: Mr. McCabe, Chairman
 Mr. Eccles
 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 June 16, 1949, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on June 17, 1949, were approved and the actions recorded therein were ratified unanimously.

Memorandum dated June 17, 1949, from Mr. Millard, Director of the Division of Examinations, recommending increases in the basic annual salaries of the following employees of that Division, effective June 26, 1949:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Wm. C. Bender, Jr.	Assistant Federal Reserve Examiner	\$3,351.00	\$3,476.40
Jay W. Williams	Assistant Federal Reserve Examiner	3,100.20	3,225.60
Herbert H. Hagler	Assistant Federal Reserve Examiner	4,730.40	4,855.80

Approved unanimously.

Letter prepared for Chairman McCabe's signature to the Honorable

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Myron M. Cowen, Ambassador Extraordinary and Plenipotentiary, Embassy of the United States of America, Manila, P.I., reading as follows:

"Thank you for your comments regarding the work of Mr. David L. Grove in Manila, as contained in your letter of June 6 and in your cable of June 3.

"As you know, Mr. Grove's assignment in Manila was originally planned to run until May. Governor Cuaderno then asked for a six-month extension of this period, and the Board, after consideration, agreed to extend the assignment by three months, to August.

"I doubt whether our schedule of other work will permit any further extension of this assignment. However, if the Board receives a further request from Governor Cuaderno, the matter will again be given careful consideration, and the points brought out in your letter will of course be taken into account."

Approved unanimously, together with a letter prepared for Chairman McCabe's signature to Mr. Wilbur, Chairman of the Federal Reserve Bank of San Francisco, reading as follows:

"Thank you very much for your letter of June 13 in which you comment on the work of David Grove in helping Governor Cuaderno in Manila.

"As you know, Mr. Grove's assignment in Manila was originally planned to run until May. Governor Cuaderno then asked for a six-month extension of this period, and the Board, after consideration, agreed to extend the assignment by three months, to August.

"We are very much pleased, of course, that the work of Messrs. Exter and Grove in Manila has been so successful and is so highly esteemed. It is our impression, however, that their work up to now, plus the remaining two months of Grove's assignment, will about complete the part that they could be expected to play in the planning and organization and initial operation of the Bank. It is also our impression that Cuaderno and his Philippine assistants are doing a very creditable job, including the organization of a little Research Department that should give a good account of itself. Assuming that Cuaderno continues in the steadfast and

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"determined way that has impressed all of us so favorably, I doubt very much that a further extension of Grove's assignment is really so essential to him.

"I also doubt whether our schedule of other work will permit any further extension of this assignment. However, if the Board receives a request from Governor Cuaderno, the matter will again be given careful consideration, and the points brought out in your letter will of course be taken into account.

"I am glad to learn from your letter that your visit to the New York Bank was so interesting and worthwhile."

Letter to the Board of Directors of the "Central Valley Bank of California", Escalon, California, stating that subject to conditions of membership numbered 1 and 2 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 San Francisco. The letter also contained the following special comment:

"It is understood that the plan to be completed before admission to membership contemplates, among other things, the merger into the applicant bank of the Bank of Hughson, Hughson, California, and the State bank to be organized to succeed the First National Bank in Richmond, Richmond, California; the removal of the head office of the applicant bank to Richmond, California; increase in the combined capital of the constituent banks through the sale for cash of \$50,000 par value common stock for \$80,000 and \$150,000 par value of preferred stock carrying five per cent cumulative dividends and having no voting rights in any circumstances, so that the applicant bank will have \$550,000 paid-up, unimpaired capital; and establishment of branches at the present location of the constituent banks in Escalon and Hughson.

"Permission is also requested to establish branches in Oakley and El Cerrito, California. Authorizations for the establishment of the proposed branches will be contained in a separate letter from the Federal Reserve Bank."

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

"Reference is made to your letter of May 18, 1949, submitting the application of the 'Central Valley Bank of California', Escalon, California, for membership subject to completion of a plan contemplating, among other things, removal of its head office to Richmond, California, and requesting permission for the establishment of branches in Escalon, Hughson, Oakley and El Cerrito, California.

"It is understood that the Superintendent of Banks for the State of California has approved the plan submitted by the applicant, including establishment of the proposed branches, and, in view of your recommendation, the Board of Governors approves the establishment and operation of branches in Escalon, Hughson, Oakley and El Cerrito, by the 'Central Valley Bank of California', Richmond, California, provided it accomplishes membership after completion, substantially as submitted, of the plan to which reference has been made, and provided the branches at Oakley and El Cerrito are established within six months after April 27, 1949, with the understanding that counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to effect the plan and establish the branches."

Letter to the Organizers of the "First State Bank of Richmond", Richmond, California, stating that subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H and the following special condition, 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 San Francisco, effective if and when the bank is authorized to commence business by the appropriate State authorities:

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- "3. At the time of admission to membership, such bank shall have a paid-up and unimpaired capital stock of not less than \$200,000."

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

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

"In accordance with the recommendation contained in your letter of June 11, 1949, the Board of Governors extends to November 1, 1949, the time within which the 'Fishermen and Merchants Bank', Los Angeles (San Pedro), California, may accomplish membership. Please advise the applicant bank to this effect.

"Your office will be advised in a separate communication with respect to the Board's action on the subject bank's application for reduced reserves."

Approved unanimously.

Letter to The Honorable, The Comptroller of the Currency, reading as follows:

"It is respectfully requested that you place an order with the Bureau of Engraving and Printing for printing 31,098,000 sheets of Federal Reserve notes of the 1934 Series during the fiscal year ending June 30, 1950, in the amounts and denominations stated for the following Federal Reserve Banks:

	<u>Denomi- nations</u>	<u>Number of Sheets</u>	<u>Amount</u>
Boston	\$5	250,000	\$15,000,000
	10	1,325,000	159,000,000
	20	225,000	54,000,000
	50	10,000	6,000,000
New York	\$5	1,650,000	99,000,000
	10	3,250,000	390,000,000
	20	775,000	186,000,000
	50	40,000	24,000,000

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	<u>Denomi- nations</u>	<u>Number of Sheets</u>	<u>Amount</u>
Philadelphia	\$5	550,000	33,000,000
	10	1,100,000	132,000,000
	20	325,000	78,000,000
Cleveland	5	50,000	3,000,000
	10	1,375,000	165,000,000
	20	625,000	150,000,000
	50	125,000	75,000,000
	100	10,000	12,000,000
Richmond	5	500,000	30,000,000
	10	1,025,000	123,000,000
	20	800,000	192,000,000
	50	70,000	42,000,000
	100	80,000	96,000,000
Atlanta	5	650,000	39,000,000
	10	1,300,000	156,000,000
	20	575,000	138,000,000
	100	25,000	30,000,000
Chicago	5	2,150,000	129,000,000
	10	3,175,000	381,000,000
	20	1,050,000	252,000,000
	50	15,000	9,000,000
St. Louis	5	550,000	33,000,000
	10	1,050,000	126,000,000
	20	400,000	96,000,000
	100	15,000	18,000,000
Minneapolis	5	50,000	3,000,000
	10	375,000	45,000,000
	20	100,000	24,000,000
	100	5,000	6,000,000
Kansas City	5	150,000	9,000,000
	10	600,000	72,000,000
	20	325,000	78,000,000
	50	5,000	3,000,000
Dallas	5	200,000	12,000,000
	10	725,000	87,000,000
	20	300,000	72,000,000
	50	5,000	3,000,000
	100	5,000	6,000,000

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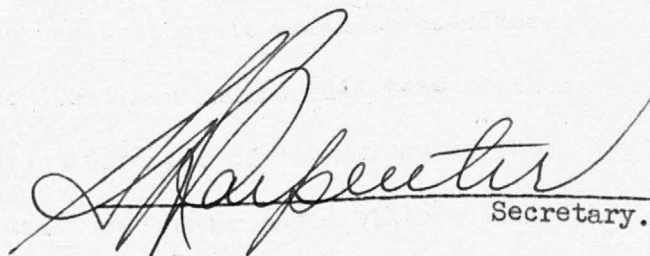
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	Denomi- nations	Number of Sheets	Amount
San Francisco	\$5	600,000	36,000,000
	10	1,600,000	192,000,000
	20	900,000	216,000,000
	100	38,000	45,600,000
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Total	5	7,350,000	441,000,000
	10	16,900,000	2,028,000,000
	20	6,400,000	1,536,000,000
	50	270,000	162,000,000
	100	178,000	213,600,000"

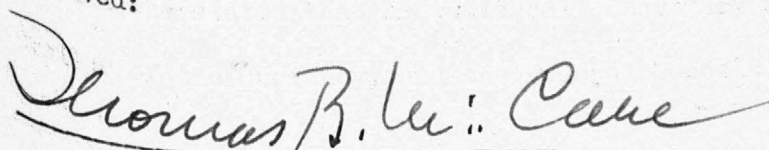
Approved unanimously.

Memorandum dated June 10, 1949, from Mr. Bethea, Director of the Division of Administrative Services, recommending that that Division be authorized to dispose of, on a sealed bid basis to the highest bidders, one lot of miscellaneous used office equipment, one lot of used office machines, and one used electric water cooler, with the understanding that the proceeds of the sales be deposited in the Board's account and credited on the books of the Division of Administrative Services to Miscellaneous Receipts.

Approved unanimously.


Secretary.

Approved:


Chairman.