

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, October 5, 1949.

PRESENT: Mr. McCabe, Chairman  
Mr. Eccles  
Mr. Szymczak  
Mr. Draper  
Mr. Vardaman

Mr. Carpenter, Secretary  
Mr. Sherman, Assistant Secretary  
Mr. Thurston, Assistant to the Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on October 4, 1949, were approved unanimously.

Memorandum dated October 3, 1949, from Mr. Bethea, Director of the Division of Administrative Services, recommending that Mrs. Muriel S. Duncan, a clerk-stenographer in the Office of the Secretary, be transferred to the Division of Administrative Services as a clerk-stenographer on a permanent basis, with basic salary at the rate of \$2,874.48 per annum, effective as of the date upon which she enters upon the performance of her duties. The memorandum also stated that the Office of the Secretary was agreeable to this transfer.

Approved unanimously.

Memorandum dated September 21, 1949, from Mr. Thomas, then Director of the Division of Research and Statistics, recommending

10/5/49

-2-

that Mr. Harold F. Chapin, an economist in that Division, be granted leave of absence without pay for the period beginning October 31, 1949, and extending through January 31, 1950.

Approved unanimously.

Memorandum dated October 5, 1949, from Mr. Young, Director of the Division of Research and Statistics, recommending that the salary of Mrs. Alice L. Tallent, a clerk-stenographer in that Division, be increased from \$2,724 to \$2,799.24 per annum, effective October 16, 1949.

Approved unanimously.

Telegram to Mr. Koppang, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"Reurtel, your assumption is correct that under the terms of Board's telegram of November 9, 1948, F.R.L.S. #6105, whenever the last day (Wednesday) of the weekly reserve computation period is a holiday, as will be the case in many States next week when Columbus Day falls on Wednesday, deficiencies in reserves of any member bank in a central reserve or reserve city may, if it so desires, be computed covering a six-day period ending on Tuesday and an eight-day period ending on Wednesday of the following week, instead of the usual seven-day periods ending on Wednesdays."

Approved unanimously, together with a telegram transmitting the above information to the Presidents of all Federal Reserve Banks.

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

10/5/49

-3-

"Reference is made to your letter of September 21, 1949, submitting the application of the Little River Bank and Trust Company, Miami, Florida, for permission to exercise fiduciary powers.

"In view of the Reserve Bank's 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 the terms of its charter and the laws of the State of Florida.

"You are requested to advise the Little River Bank and Trust Company, Miami, Florida, of the Board's action."

Approved unanimously.

Letter to Mr. Earhart, President of the Federal Reserve Bank of San Francisco, prepared in accordance with the action at the meeting of the Board on September 27, 1949, reading as follows:

"In 1946, a conference of representatives of central banks of the western hemisphere was held in Mexico City and at the invitation of the Bank of Mexico which arranged the conference, a delegation was sent from the Federal Reserve System consisting of representatives from the Board, the Federal Reserve Bank of New York, and the Federal Reserve Bank of Dallas. The conference was largely confined to discussions at the technical level and was concerned with an interchange of ideas regarding central bank operations and research problems.

"Plans have now been made for a Second Meeting of Technicians on Central Banking of the American Continent, to be held in Santiago, Chile, December 2-17, 1949, and the Federal Reserve System has been invited by the Bank of Chile to appoint a delegation which will be able to participate in all phases of the conference program and represent the different interests of the Federal Reserve System in central banking. A copy of the agenda for the conference is attached.

"The Board has authorized Mr. Ralph A. Young, Director of the Division of Research and Statistics, and Mr. Gerald Alter, an economist, to attend as its representatives, and it has approved the designation of Messrs. Horace L. Sanford and O. Ernest Moore of the Federal

10/5/49

-4-

"Reserve Bank of New York as members of the delegation, of which Mr. Young will be the head. The Board would also be pleased if your Bank would send a representative, and while the designation, of course, is in your hands, our representatives have indicated that they would be most happy if Mr. Wheeler could join them.

"The Board understands that this matter has been discussed with you informally, and it will appreciate hearing from you as to the action you and your directors may wish to take with respect to the mission."

Approved unanimously, together  
with the following letter to Mr.  
Sproul, President of the Federal Reserve Bank of New York:

"In our letter of July 11, 1949, informing you that the Board approved your proposal that Messrs. Sanford and Moore attend the Second Meeting of Technicians on Central Banking of the American Continent, to be held in Santiago, Chile, December 2-17, 1949, it was stated that details respecting the Board's representation and representation of some other Federal Reserve Bank would be furnished you later.

"The Board has now authorized Mr. Ralph A. Young, Director of the Division of Research and Statistics, and Mr. Gerald Alter, an economist, to attend the conference as its representatives and it has asked the Federal Reserve Bank of San Francisco if it will send a representative. It is understood informally that that Bank plans to send Mr. Oliver P. Wheeler, Vice President, as a member of the delegation of which Mr. Young will be the head."

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

"This refers to Mr. Johns' letter of September 30, 1949, and previous correspondence, relating to the question whether the service of Mr. Bartlett Boder, as a director and officer of the Tootle-Lacy National Bank and Missouri Valley Trust Company, both of St. Joseph, Missouri, comes within the exception contained in section 2(d)(6) of Regulation L permitting a director, officer, or employee of a member bank to serve at the same time as director, officer, or employee of another bank or trust company not engaged in a class

10/5/49

-5-

"or classes of business in which such member bank is engaged.

"From the information submitted by your Bank, it appears that Tootle-Lacy National Bank assumed the deposit liabilities and purchased substantially all of the assets of the Missouri Valley Trust Company as of the close of business March 19, 1949, and that the Missouri Valley Trust Company no longer is engaged in the business of receiving deposits or commercial banking; that the Missouri Valley Trust Company is trustee of five small trusts, one of which will be distributed in December of this year, and is co-trustee of another trust, which, Mr. Boder states, will be terminated in the near future. It also appears that the other existing trusts will be permitted to expire as rapidly as possible and that the trust company will not accept any new trust business, the board of directors having adopted a resolution to this effect; and that the only other business activity of the trust company will be a real estate rental business and the investment of its own funds.

"In view of these facts, it appears that the Missouri Valley Trust Company is not at the present time engaged in the business of banking as that term is ordinarily understood and that it is 'not engaged in a class or classes of business' in which Tootle-Lacy National Bank is engaged within the meaning of the exception as set forth in section 2(d)(6) of the Board's Regulation L, and therefore the service of Mr. Boder is not prohibited. However, if the Missouri Valley Trust Company should at any time resume regular banking activities or accept any new trusts so as to be engaged in a class or classes of business in which other banks or trust companies are regularly engaged, a different situation would result.

"It will be appreciated if your Bank will advise Mr. Boder of the Board's views in this matter.

Approved unanimously.

Memorandum dated October 3, 1949, from Mr. Bethea, Director of the Division of Administrative Services, submitting for approval a voucher of Mr. G. Howland Chase, Assistant Solicitor, covering expenses for the period August 1 to 15, 1949, and including apart-

10/5/49

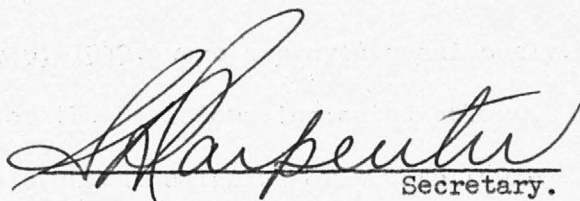
-6-

ment rental for the month ended September 25, 1949.

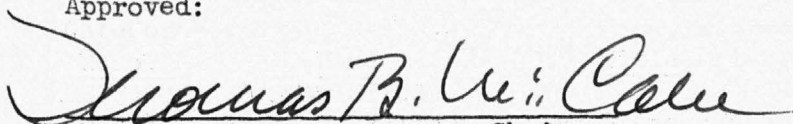
Approved unanimously.

Memorandum dated September 30, 1949, from Mr. Thomas, then Director of the Division of Research and Statistics, recommending, for the reasons stated therein, that \$700 be added to the item of repairs and maintenance in the 1949 budget of that Division.

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.