

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, December 28, 1949.

PRESENT: Mr. Szymczak, Chairman pro tem.
Mr. Draper
Mr. Evans
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 December 20, 1949, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on December 21, 22, 23, and 27, 1949, were approved and the actions recorded therein were ratified unanimously.

Telegram to Mr. Paul H. Helms, Helms Bakeries, Los Angeles, California, reading as follows:

"Board of Governors of the Federal Reserve System has appointed you director of Los Angeles Branch of Federal Reserve Bank of San Francisco for two-year term beginning January 1, 1950 and will be pleased to have your acceptance by collect telegram."

Approved unanimously.

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

"In accordance with the request contained in your letter of December 16, 1949, the Board approves the designation of Herman Henry Longfield as a special assistant examiner for the Federal Reserve Bank of Chicago."

Approved unanimously.

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Letter to the board of directors of "The Farmers State Bank of Breckenridge, Michigan", Breckenridge, Michigan, 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 Chicago.

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

Telegram to the Presidents of all Federal Reserve Banks,

reading as follows:

"Please observe following procedure regarding year-end closing of books:

1. As of December 31 make careful estimate of reimbursable expenses for which claims have not been submitted. Deduct such estimate from operating expenses and report against asset item 'Fiscal agency and other expenses, reimbursable.'

2. Wire Board so as to reach Washington by noon E.S.T. on Tuesday, January 3:

- (a) Average daily amount Federal Reserve notes outstanding in excess of gold certificates pledged with Agent for last quarter of 1949. (Code OUTS)
- (b) Net earnings for 1949 after deducting pro rata share of \$40,000,000 addition to reserves for contingencies, interest on Federal Reserve notes for first three quarters, and dividends for year. (Code NIEA)

3. Upon receipt of above information Board will determine your Bank's rate of interest and amount to be paid to Treasury for last quarter of 1949 on daily average outstanding Federal Reserve notes not covered by gold certificates pledged with Agent.

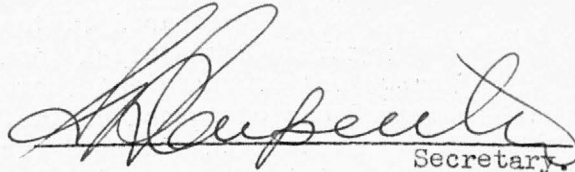
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"4. Credit payment to Treasury for last quarter of 1949 to 'Other deposits' on Form F. R. 34 for December 31 and credit Treasurer's General Account on January 3.

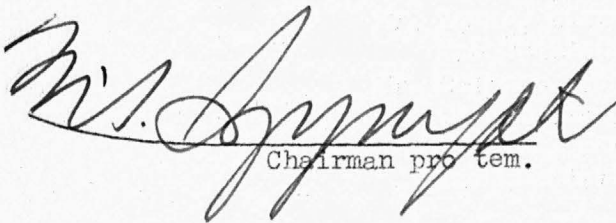
"Statement of earnings and expenses of the Federal Reserve Banks in Board's Annual Report will show profit and loss section as in Annual Report for 1948, page 71. Board has no objection to your Bank's using same form followed in your 1948 published annual report if different so that 1948 and 1949 statements will be comparable."

Approved unanimously.



Secretary.

Approved:



Chairman pro tem.