

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, March 3, 1950.

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

Mr. Carpenter, Secretary
 Mr. Sherman, Assistant Secretary
 Mr. Kenyon, Assistant Secretary

Minutes of actions taken by the Board of Governors of the Federal Reserve System on March 2, 1950, were approved unanimously.

Telegrams to the Federal Reserve Banks of New York, Philadelphia, Chicago, St. Louis, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on February 28, by the Federal Reserve Bank of St. Louis on March 1, and by the Federal Reserve Banks of New York, Philadelphia, and Chicago on March 2, 1950, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated February 27, 1950, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the resignation of Mrs. Muriel S. Duncan, a stenographer in that Division, be accepted to be effective, in accordance with her request, at the close of business February 28, 1950.

Approved unanimously.

Memorandum dated March 1, 1950, from Mr. Millard, Director of

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the Division of Examinations, recommending increases in the basic annual salaries of the following employees in that Division, effective March 5, 1950:

Name	Title	Salary Increase	
		From	To
Glenn M. Goodman	Federal Reserve Examiner	\$8,400	\$8,600
Elisha L. Brien, Jr.	Federal Reserve Examiner	7,200	7,400
Warren J. McClelland	Federal Reserve Examiner	7,200	7,400
John R. Radford, Jr.	Federal Reserve Examiner	7,200	7,400

Approved unanimously.

Memorandum dated March 3, 1950, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of James Thomas Stewart as a laborer in that Division on a temporary basis for a period of two months, with basic salary at the rate of \$2,120 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination.

Approved unanimously.

Memorandum from Mr. Townsend, Solicitor to the Board, recommending that the Board authorize the reimbursement to Mr. Gregory O'Keefe, an attorney on the staff of the General Counsel of the Federal Reserve Bank of New York, on loan to the Solicitor's Office for legal work in connection with the Transamerica case, of an amount equal to the cost of necessary transportation between San Francisco and New York, and return, for the purpose of settling the matter of a

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lease which he holds upon a house there and to store the furniture which is presently contained in this house.

Approved unanimously.

Memorandum dated February 21, 1950, from Messrs. Garfield and Young, Division of Research and Statistics, recommending that the Board authorize a revision of the index of industrial production to be undertaken as a special project of that Division, and that an increase in the budget of this Division be approved in an amount sufficient to cover the additional personnel required for the project, as outlined in the memorandum.

Approved unanimously.

Letter to Mr. F. C. Gilbody, Assistant Cashier, Federal Reserve Bank of Boston, reading as follows:

"This refers to your letter of February 21 regarding the penalty of \$185.73 incurred by The Home National Bank and Trust Company of Meriden, Meriden, Connecticut, on a deficiency in its reserves for the period ended January 15, 1950 and the penalty of \$279.38 for the period ended January 31, 1950.

"It is noted that the deficiency resulted from a clerical error incident to a change in the subject bank's general ledger from an old-fashioned bound ledger to a machine operated loose-leaf system; that, had the subject bank received prompt notice from the Federal Reserve Bank of the deficiency occurring in the first half of January, it could have eliminated the deficiency for the last half of January and for the first period in February; and that the subject bank has had an excellent record with only two minor deficiencies in its reserves over a period of five years.

"In the circumstances, the Board authorizes your bank to waive assessment of the penalty in both of these cases."

Approved unanimously.

Telegram to Mr. H. F. Slade, Vice President of the Federal Reserve

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Bank of San Francisco, reading as follows:

"Relet February 11 and Urtel March 1. In view your recommendation and trust company's commitment re sale additional common stock within six months from March 1, Board approves establishment and operation of a branch in Woodland, California, by American Trust Company, San Francisco, California, provided the purchase of assets and assumption of deposit and trust liabilities of Bank of Woodland National Association and Yolo County Savings Bank is effected substantially as proposed, branch is established within six months from January 31, 1950, as required by State authorities, and with understanding that counsel for Reserve Bank will review and satisfy himself as to legality of all steps taken to effect absorption and establish branch.

"When advising trust company of Board's action please state that Board would urge that the trust company take steps as rapidly as possible further to increase its capital. While Board realizes unusual conditions resulting from growth of activity in California during war period, it is the view of the Board that in the absence of special circumstances further expansion should not be undertaken without substantial improvement in capital position in addition to issuance of the 100,000 shares now contemplated."

Approved unanimously.

Letter to Honorable Maple T. Harl, Chairman, Federal Deposit Insurance Corporation, Washington 25, D. C., reading as follows:

"In accordance with the request contained in your letter of February 27, 1950, the Board of Governors of the Federal Reserve System hereby grants written consent, pursuant to the revisions of subsection (k) (2) of Section 12B of the Federal Reserve Act, for examiners for the Federal Deposit Insurance Corporation to make an examination of the Northport Trust Company, Northport, New York, in connection with its application for continuance of insurance after withdrawal from membership in the Federal Reserve System.

"There are no corrective programs nor unfulfilled agreements pertaining to the bank in connection with which the Board would suggest incorporation of conditions for continuing its status as an insured bank."

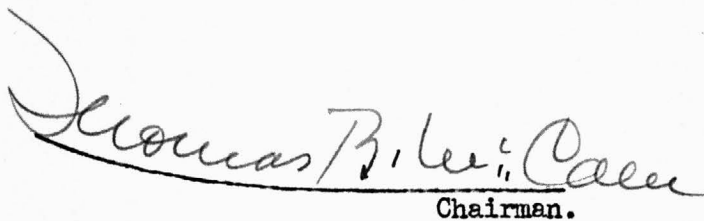
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Approved unanimously.


Secretary.

Approved:


Chairman.