

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, March 13, 1950.

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

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 10, 1950 were approved unanimously.

Memorandum dated March 9, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending an increase in the basic salary of Miss Elaine L. Quarforth, a clerk-stenographer in that Division, from \$2,650 to \$2,730 per annum, effective March 19, 1950.

Approved unanimously.

Letter to Mr. Peterson, Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

"In accordance with the request contained in your letter of March 3, 1950, the Board approves the appointments of Orville H. Bleckman and Charles D. Zettler, at present assistant examiners, as examiners and the appointment of Edgar H. Crist as assistant examiner for the Federal Reserve Bank of St. Louis. It is understood that you will advise us of the dates upon which the appointments become effective and as to the salary rates for Messrs. Bleckman and Zettler.

"The Board also approves the designation of Francis M. Miller as a special assistant examiner for the Federal Reserve Bank of St. Louis."

Approved unanimously.

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Letter to Mr. Delos C. Johns, Vice President and Secretary of the Federal Reserve Bank of Kansas City, reading as follows:

"The Board of Governors approves the reappointments of Messrs. Thomas McNally and Mason L. Thompson as members of the Industrial Advisory Committee for the 10th Federal Reserve District to serve for terms of one year each beginning March 1, 1950, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Kansas City as reported in your letter of March 6, 1950. It is noted from your letter that the directors have not as yet decided on a third member of the Committee to fill the vacancy occasioned by the death of Mr. D. Bruce Forrester.

"It is noted further from your letter that owing to the inactivity in industrial loans during the past several years, the directors prefer not to fill the other two existing vacancies on the Industrial Advisory Committee. In view of the circumstances, the Board of Governors will interpose no objection to this decision."

Approved unanimously.

Letter to Mr. Wiltse, Vice President of the Federal Reserve Bank of New York, reading as follows:

"Reference is made to your letter of March 2, 1950, enclosing a letter and a certified copy of a resolution adopted by the Board of Directors of the 'Northport Trust Company', Northport, New York, indicating its intention to withdraw from membership in the Federal Reserve System and requesting waiver of the six months' notice of such withdrawal.

"As requested the Board of Governors waives the requirement of the six months' notice. Accordingly, upon surrender of the Federal Reserve Bank stock issued to the Northport Trust Company, Northport, New York, you are authorized to cancel such stock and make appropriate refund thereon. It is noted that the bank is arranging to apply for continuance of deposit insurance after withdrawal from membership. If such action is taken, the bank will have four months from the date of this letter in which to effect withdrawal. (F.R.L.S. #3548)

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"Please advise when cancellation is effected and refund is made. The certificate of membership issued to the bank should be obtained, if possible, and forwarded to the Board. The State banking authorities should be advised of the bank's proposed withdrawal from membership and the date such withdrawal becomes effective."

Approved unanimously.

Letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"This refers to your letter of March 3, 1950 and enclosures with regard to suggested amendments to section 25(a) of the Federal Reserve Act. We note that you feel that it is timely to give consideration to possible amendments to the Edge Act which might make the Act a more effective instrument to facilitate the financing of international and foreign trade.

"We think that a review of the matter at this time will be helpful and constructive. Our staff here will, of course, be prepared to furnish any information or be of any assistance it can, and any suggestions of your bank in connection with the matter will be carefully and promptly considered by the Board."

Approved unanimously.

Letter to Mr. Russell G. Smith, Executive Vice President, Bank of America, 40 Wall Street, New York, New York, reading as follows:

"This refers to your letter of February 16, 1950, in which you acknowledge receipt of the Board's letter of February 8 with regard to the performance of certain functions by your corporation in connection with letters of credit as outlined in your letter of December 13, 1949.

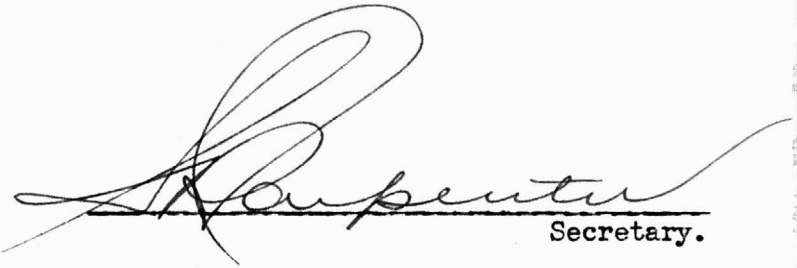
"We note from the last paragraph of your letter that you assume that corporations organized under section 25(a) of the Federal Reserve Act and those operating under agreements pursuant to section 25 of that Act are on an equal plane where foreign banking or international or foreign financial operations are concerned. In view of the differences between the provisions of section 25(a) and those of section

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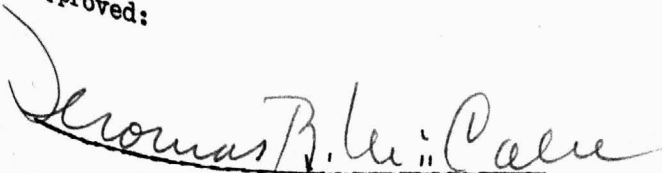
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"25 and the agreements pursuant thereto, as well as the State laws under which section 25 corporations are incorporated, the Board is unable to agree with such an assumption concerning the two types of corporations."

Approved unanimously for transmission through the Federal Reserve Bank of New York.


Secretary.

Approved:


Chairman.