

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, March 31, 1950.

PRESENT: Mr. Draper, Chairman pro tem.
Mr. Vardaman

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

Telegrams to the Federal Reserve Banks of Chicago, St. Louis, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on March 28, by the Federal Reserve Bank of St. Louis on March 29, and by the Federal Reserve Bank of Chicago on March 30, 1950, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated March 30, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending the appointment of Mrs. Charlotte T. Breckenridge as a clerk in that Division, on a temporary basis for a period not to exceed six months, with basic salary at the rate of \$2,650 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination.

Approved unanimously.

Letter to Mr. Roger W. Jones, Assistant Director, Legislative Reference, Bureau of the Budget, Washington 25, D. C., reading as follows:

3/31/50

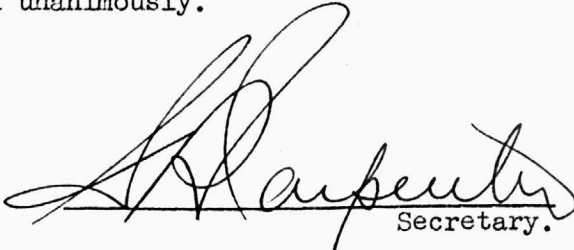
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"This is in response to your letter of March 15, 1950, addressed to Chairman McCabe, enclosing a copy of a proposed report submitted by the Treasury Department with respect to the bill S. 2973 'To raise the population limitation with respect to places in which national banks may act as agents for insurance companies from five thousand to twelve thousand'. You request an expression of the Board's views with respect to this proposal.

"Under section 13 of the Federal Reserve Act, as amended by the Act of September 7, 1916, national banks in places with a population of not exceeding five thousand are authorized, under regulations of the Comptroller of the Currency, to act as agents for insurance companies and as brokers or agents in the making of real estate loans under certain circumstances. The bill S. 2973 would extend this authority to national banks located in places with a population of not more than twelve thousand.

"Since national banks are under the supervision of the Office of the Comptroller of the Currency, the subject matter of this proposal falls primarily within the jurisdiction of that Office and the Treasury Department. The Board believes, however, that banks as a general rule should not be authorized to engage in nonbanking activities; and, while there may be some justification for the exception under which national banks in small communities are permitted to act as insurance agents and as agents in the making of real estate loans, the Board is in agreement with the view expressed by the Treasury Department that it would be unwise to extend such authority to national banks in larger communities as proposed in the bill S. 2973."

Approved unanimously.


Secretary.

Approved:


Chairman pro tem.