

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, November 14, 1952.

PRESENT: Mr. Szymczak, Acting Chairman
Mr. Evans
Mr. Mills
Mr. Robertson

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 November 13, 1952, were approved unanimously.

Telegrams to the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of Boston on November 10, by the Federal Reserve Banks of Richmond and San Francisco on November 12, and by the Federal Reserve Banks of New York, Cleveland, Chicago, St. Louis, Minneapolis, and Dallas on November 13, 1952, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated October 21, 1952, from Mr. Sloan, Director, Division of Examinations, recommending that the Board approve payment of an attached voucher in the amount of \$352.54 covering expenses incurred by the Baltimore Branch of the Federal Reserve Bank of Richmond in making its facilities available for purposes of the Inter-Agency Bank

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Examination School on September 20, 1952.

Approved unanimously.

Letter to Mr. Dawes, Secretary, Federal Reserve Bank of Chicago, reading as follows:

"Reference is made to your letters of October 10, and November 10, 1952, and our reply of November 4 concerning the payment of salary to Mr. H. J. Chalfont, Vice President in charge of the Detroit Branch.

"In view of the circumstances described in your letter of October 10 the Board of Governors approves the continuation of the payment of salary for the period ending April 30, 1953, to Mr. Harlan J. Chalfont at the rate of \$15,500 per annum, if this rate is fixed by your Board of Directors."

Approved unanimously.

Letter to Mr. Millard, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

"In view of the recommendation contained in your telegram of November 7, 1952, the Board of Governors extends until May 14, 1953, the time within which Southern Commercial and Savings Bank, East Pasadena, California, may establish a branch at 8254 Garvey Boulevard, South San Gabriel, California."

Approved unanimously.

Letter to the Presidents of all Federal Reserve Banks, reading as follows:

"This refers to the proposal, which has been under consideration for some time, that certain Federal Reserve Banks and branches accept funds consisting of currency and coin of local postmasters at the post offices as registered mail shipments and transport them to the offices of the Federal Reserve Banks.

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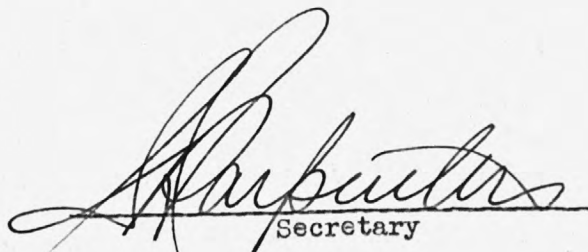
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"Under the date of August 29, 1952, Mr. Earhart, Chairman, Presidents' Conference Committee on Miscellaneous Operations, sent a memorandum to the Presidents of the Federal Reserve Banks advising of the status of the subject proposal and making certain suggestions in connection therewith. On September 19, 1952, Mr. Earhart advised the Board that the replies from the Reserve Banks indicated general agreement with the views expressed in his August 29 memorandum. Mr. Earhart accordingly suggested that (1) a letter be obtained from the Treasury Department, addressed to each of the Reserve Banks designated by the Post Office Department, authorizing them to act as fiscal agents of the United States in picking up the subject deposits; and (2) a letter be obtained from the Post Office Department agreeing to the conditions outlined in the Board's letter of October 10, 1951 to Mr. Osborne A. Pearson, Assistant Postmaster General.

"Agreement has now been reached by the various parties concerned in this matter, and there is attached for your information a copy of the letter which the Board received from the Post Office Department under date of November 7, 1952, in this connection. We have been informally advised that the Post Office Department has also addressed a letter to the Treasury with a view toward effectuating the subject proposal, and that the Treasury is preparing the necessary authorizing letters to the Federal Reserve Banks affected.

"The Post Office Department has suggested that it would be preferable for the Reserve Banks and branches concerned not to contact the local postmasters until after the Post Office Department has had an opportunity to acquaint the postmasters with the details of the proposed procedure. Accordingly, it is suggested that further initiative in this matter be left with the local postmasters."

Approved unanimously.



Secretary