

September 6, 1950

Members of the Board

Mr. Vardaman

The Chairman and the Secretary and I have discussed the assignments of Board members tentatively adopted by the Board on the 5th. Provided the assignments are rotated annually they are satisfactory to me, with the exception of No. 6 under my allocation.

I made it plain to the Board more than a year ago that I would not serve as a veterans' representative. In the first place, I do not think any such assignment is necessary or advisable. The veterans should not be made a class apart from the other members of the Board's staff and given special representation. There are special laws passed by the Congress for the protection of veterans and this Board is carefully observing those laws, and the designation of a Board member as a special representative infers that the Board and the staff need someone to police their obedience to such laws, and I do not think that is a fair implication.

If the Board insists upon having an individual assignment for veterans' problems, then it should be given to the Personnel Committee and not to a Board member, and certainly not to a Board member who is also a veteran.

I request that the assignment be withdrawn.

The only other remark I have to make with reference to the assignments is the absence of one Board member from the assignment list. I do not think this is good, unless for some special reason, the Board member requests on the record that no assignment be given to him.

Confidential

Assignments of Subjects for Initial Consideration by Individual Members of the Board of Governors and Certain Committees

In accordance with the Board's established policy, no division or portion of the staff is to be regarded as being attached to, or under the jurisdiction of, a particular Board member by reason of any of these assignments. All members of divisions of the staff are to serve all members of the Board, and while a member of the Board may have occasion to call on a certain division or certain members of the staff more than others, they are not attached to, or subject to the control of, such member.

The scope of each Board member's assignments includes the preparation by the staff of such reports, studies, memoranda, and other incidental material; i. e., research and statistical material, legal opinions, informational memoranda, etc., as may be considered appropriate within the limits of the staff organization and budget.

If a Board member desires to initiate a discussion of a subject that is among the assignments of another Board member, he should first take the matter up with the Board member who has the assignment.

These assignments will be reviewed in February of every other year or whenever there is a change in the membership of the Board.

Chairman

1. Economic and monetary policy matters (open market operations, discount rates, reserve requirements, interest rates, Government finance, international monetary questions.)

2. Policies involved in the initiation and adoption of legislation and executive orders affecting the System.

(The Chairman is chairman of the Open Market Committee and of its executive committee. The Chairman is also by statute a member of the National Advisory Council on International Monetary and Financial Problems and a member of the Advisory Board to the Export-Import Bank. Chairman ex officio of Personnel Committee.)

Mr. Szymczak

(Alternate, Mr. Varshaman)

1. Relations of Reserve Banks with foreign banks, bankers, and Governments; staff missions and travel of individual staff members of Reserve Banks and Board to foreign countries.
2. International financial institutions and institutions engaged in foreign banking subject to sections 25 and 25(a) of the Federal Reserve Act; foreign branches of domestic banks.
3. Relations with foreign central banks and foreign treasuries.
4. Extension and maintenance of credit by brokers, dealers, banks, and others for purchasing or carrying securities.
5. Federal Reserve Retirement System.

(Federal Reserve Retirement System trustee, elected by Board as its representative; member Personnel Committee until March 1, 1951; alternate for Chairman McCabe on N.A.C.)

Mr. Evans

(Alternate, Mr. Norton)

1. Agricultural conditions, including prices, production, and markets; and relations concerning these subjects with the Department of Agriculture, Farm Credit Administration, and other agencies; lending activities of Government agencies in the agricultural field.
2. Regulation of consumer instalment credit.
3. Relations under existing law with holding companies and affiliates; examinations of such companies and affiliates; issuance and revocation of voting permits.
4. Informal liaison between Board and Chairmen of Reserve Banks; preparation of topics for agenda of Federal Advisory Council, Chairmen's Conference, Presidents' Conference, and similar groups.
5. Operation and maintenance of Board's building.

(Member executive committee of Federal Open Market Committee until March 1, 1951.)

Mr. Vardaman

(Alternate, Mr. Powell)

1. Activities of Federal Reserve Banks as fiscal agents in guaranteeing loans under Defense Production Act of 1950.
2. Admissions to, conditions of, and termination of membership of State banks; trust powers for member banks.
3. Establishment, regulation, and discontinuance of branches and agencies of Reserve Banks; determination of district and branch territorial limits.
4. Currency matters; interdistrict settlement fund.
5. Outside business and other relations of directors, officers, and employees of Reserve Banks; interlocking relations of directors, officers, and employees of member banks serving other banks and security dealers; loans to executive officers of member banks; removal of directors, officers, and employees of Reserve Banks and member banks; disposition of criminal charges against such persons.
6. Veterans' problems. When a question arises which involves a veteran, Mr. Vardaman will be consulted or will consult with the member of the Board whose assignments include the other aspects of the question.

Mr. Norton

(Alternate, Mr. Evans)

1. Regulation of real estate credit.
2. Lending and loan guarantee and insurance activities of Government agencies (other than in the agricultural field.)
3. Services of Reserve Banks and reimbursement therefor; expenditures, including Reserve Bank budgets and functional expense reports; examinations of Reserve Banks; reserves for losses; chargeoffs and dividends; Reserve Bank stock; discounts and advances of Reserve Banks; operations under section 13b of the Federal Reserve Act; purchases by Reserve Banks of securities and bills other than through System Open Market Account; questions of eligibility of paper for discount or as security for advances.
4. Coordination and development of relations of the Board and the Reserve Banks with member banks, nonmember banks, banking associations, educational institutions, and the general public.

(Member Personnel Committee until March 1, 1952.)

Mr. Powell

(Alternate, Mr. Szymczak)

1. Supervision and examination of State member banks, domestic branches, mergers, consolidations, adjustment of capital structure, maintenance of required reserves including revision of basis for computing required reserves, payment of interest on deposits in member banks; relations regarding these matters with Federal Deposit Insurance Corporation, Reconstruction Finance Corporation, Comptroller of the Currency, State Banking Departments, and Bankers Associations.
2. Loans and investments of member banks, including acceptances; relations regarding these matters with the Comptroller of the Currency, Securities and Exchange Commission, and other Government agencies.
3. Research programs of Reserve Banks and Board of Governors; publications of the Reserve System; call reports of condition and other periodical reports of member banks.
4. Clearance and collection systems, including particularly studies of proposals to shorten availability schedules at Federal Reserve Banks.
5. Payroll plans for savings bonds.

Personnel Committee

Messrs. Szymczak and Norton

1. Board's budgets and expenditures.
2. Supervision of Board's staff; promotion of esprit de corps in the organization by providing for contacts between Board and staff, planning special meetings of staff, recreational and social activities, special merit recognition, and developing more effective career system.
3. Approvals of appointments of officers and employees of the Reserve Banks requiring action by the Board; Reserve Bank salaries and salary classification plans; executive development plan. (When an appointment is in the research or examination department of a Reserve Bank, it is understood that the recommendation to the Board will be made in collaboration with Mr. Evans or Mr. Powell, respectively.)
4. Appointments of Class "C" directors of Reserve Banks and the directors of branches who are appointed by the Board; designations of Chairmen and Federal Reserve Agents and appointments of Deputy Chairmen of Reserve Banks; questions relating to election and qualifications of Class A and Class B directors of Reserve Banks, including classification of member banks for such elections.
5. Travel authorizations.

Executive Committee of the Federal Open Market Committee
(Until March 1, 1951)

Members

Chairman: Mr. McCabe
Vice Chairman: Mr. Sproul
Mr. Eccles
Mr. Evans
Mr. Young

Alternates

For Board Members 1. Mr. Vardaman
2. Mr. Szymczak
3. Mr. Norton
4. Mr. Powell

For Presidents 1. Mr. Erickson
2. Mr. Davis
3. Mr. Peyton