

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, March 5, 1947.

PRESENT: Mr. Eccles, Chairman
 Mr. Draper
 Mr. Evans
 Mr. Vardaman
 Mr. Clayton

Mr. Carpenter, Secretary
 Mr. Sherman, Assistant Secretary
 Mr. Morrill, Special Adviser
 Mr. Thurston, Assistant to the Chairman

Minutes of actions taken by the Board of Governors of the Federal Reserve System on March 4, 1947, were approved unanimously.

Memorandum dated February 27, 1947, from Mr. Thomas, Director of the Division of Research and Statistics, recommending the appointment of Miss Patricia Anne Vandoren as a clerk-stenographer in that Division, on a temporary indefinite basis, with basic salary at the rate of \$2,093.04 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination. The memorandum also stated that Miss Vandoren was a member of the Civil Service Retirement System and would remain in that system.

Approved unanimously.

Letter to Mr. Sproul, Chairman of the Presidents' Conference, reading as follows:

"It has been suggested that, as an essential step in the development of an overall policy with respect to salary administration and other personnel matters at the Federal Reserve Banks, consideration should be

3/5/47

-2-

"given by the Board of Governors and the Federal Reserve Banks to the adoption of an arrangement under which the Board would approve a schedule of annual, sick, and other leave that might be granted to officers and employees by the Banks, with the understanding that within the limits established by the schedule each Reserve Bank would have discretion to fit its leave policy to local conditions.

"A review of policies now in effect at the various Banks indicates some variation in the amount of leave granted to officers and employees, and from time to time questions have arisen regarding payment for accumulated vacation leave to employees separated from service, or in the event of death.

"It will be appreciated, therefore, if you will request the appropriate committee of the Presidents' Conference, in consultation with Mr. Nelson, Director of the Division of Personnel Administration, to develop an overall schedule of leave for consideration by the Presidents' Conference and the Board. In this connection it is suggested that consideration be given by the committee to other leave systems which include provisions for accruing and charging sick and annual leave and for the payment for unused annual leave in the event of death or separation from service, as well as other provisions which might be taken into account in determining an appropriate leave policy."

Approved unanimously.

Letter to Mr. McCabe, Federal Reserve Agent of the Federal Reserve Bank of Philadelphia, reading as follows:

"In accordance with the request contained in your letter of February 27, 1947, the Board of Governors approves the appointment of Mr. Glendon M. Burr as Alternate Assistant Federal Reserve Agent, effective March 15, 1947, at his present salary of \$4,682 per annum.

"This approval is given with the understanding that Mr. Burr will be placed upon the Federal Reserve Agent's pay roll and will be solely respon-

3/5/47

-3-

"sible to him or, during a vacancy in the office of the Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties as Alternate Assistant Federal Reserve Agent he may, with the approval of the Federal Reserve Agent or, during a vacancy in the office of the Federal Reserve Agent, of the Assistant Federal Reserve Agent, and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent.

"Mr. Burr should execute the usual oath of office, which should be forwarded to the Board of Governors."

Approved unanimously.

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

"Reference is made to your letter of January 10, and Mr. Stewart's letter of February 24, 1947, with respect to the request of the National Council of Economic Advisers for the part-time services of Vice President William H. Stead during 1947.

"The Board of Governors interposes no objection to Vice President Stead serving with the National Council of Economic Advisers to President Truman in accordance with the arrangements outlined in your letter."

Approved unanimously.

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

"The Board of Governors approves the change in the personnel classification plan of the Federal Reserve Bank of St. Louis, consisting of the establishment of the position of Coordinator of Employee Activities, as submitted with your letter of February 26, 1947."

Approved unanimously.

3/5/47

-4-

Letter to Mr. Grady, Chairman of the Federal Reserve Bank of San Francisco, reading as follows:

"Reference is made to your letter of February 13, 1947, requesting that further consideration be given to the proposal of your directors that the changes in salaries of five officers be effective November 7, 1946, instead of January 1, 1947, as approved by the Board.

"As indicated in the Board's letter of January 30, 1947, it appeared from the information which had been submitted with respect to this matter that the changes in duties of the officers and the adjustment in salaries were closely related to the action to be taken with respect to the position of First Vice President. The approval of the appointment of Mr. Mangels as First Vice President was delayed as you know until you furnished some additional information and, therefore, since his appointment was approved as of January 1, 1947, it is believed that the adjustment in his salary should coincide with that date.

"With respect to the other four officers, since you have advised that they had in fact assumed additional responsibilities in November the Board approves the payment of salaries to the following officers at the rates indicated for the period November 7, 1946, through April 30, 1947.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
H. F. Slade	Vice President	\$11,000
J. M. Leisner	Vice President and Cashier	10,000
W. F. Volberg	Vice President	10,000
Ronald T. Symms	Assistant Vice President	7,500"

Approved unanimously.

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

3/5/47

-5-

"The purpose of this letter is the establishment of a more simplified and uniform procedure to be followed by the Federal Reserve Banks when a member State bank proposes to acquire the assets of another institution through merger, consolidation or purchase.

"A condition of membership, now standard condition numbered 1, to which most member State banks are subject, prohibits such banks from causing or permitting any change to be made in the general character of their business or in the scope of the corporate powers exercised by them at the time of admission to membership, except with the permission of the Board of Governors. Footnote No. 6 to Regulation H directs any member State bank subject to the condition of membership which anticipates acquiring the assets of another institution, through merger, consolidation or purchase, to make a detailed report to the Federal Reserve Bank of the district in which it is located setting forth all the facts in connection with the transaction.

"It has been the practice for the Reserve Banks to forward such information to the Board for consideration together with an expression of opinion as to the effect of the proposed transaction within the meaning of the condition of membership. In most cases there will be no change within the purview of the condition and the permission of the Board is not necessary.

"Hereafter, if the Reserve Bank determines, after consideration of the facts, that a proposed transaction will not cause a change in the general character of the bank's business or in the scope of the corporate powers exercised by it at the time of admission to membership, and if Counsel for the Reserve Bank is satisfied that the proposed transaction will have no effect upon the bank's corporate existence and its membership in the Federal Reserve System, the matter need not be submitted to the Board for consideration. However, in addition to the customary wire advice of the completion of any merger, consolidation or purchase which should be given the Board on the effective date, full information, including a copy of Counsel's opinion and copies of any contracts or agreements entered into by the banks

3/5/47

-6-

"involved, should in all cases be forwarded to the Board for its information and records."

Approved unanimously.

Letter to the Presidents of all the Federal Reserve Banks

reading as follows:

"Pursuant to recommendations of the System Research Advisory Committee adopted at its meeting on January 21-23, 1947, the Board has decided to revise the weekly reporting member bank series in the manner described in the accompanying memorandum. It will be noted that the revisions consist of (1) expansion of coverage to include some additional representative member banks, and elimination of some of the smaller reporting banks and cities, (2) consolidation on the report form of three relatively unimportant items with three other related items, and (3) addition of a three-way breakdown of holdings of United States Government bonds in reports of New York City and Chicago banks. A copy of the revised report form (F. R. 416) is enclosed.

"It will be appreciated if your Bank will obtain weekly reports on the new basis beginning with the first Wednesday in April. However, the tabulations of weekly reports which your Bank prepares for the Board's use should include, through the last report date in June 1947, the same banks as are now included, inasmuch as publication of the new series will be deferred until the first report date in July. You will be advised in a separate letter by the Division of Bank Operations as to new tabulations to be made covering the banks that will be included in the revised series, also as to any back figures that may have to be estimated in order to provide year ago figures for comparative purposes when publication of the new series is inaugurated.

"In order to provide a basis for analyzing the coverage of the revised weekly reporting member bank series by districts, the research departments were requested to submit tentative suggestions for inclusion of banks not now reporting and elimination

3/5/47

-7-

3/5/ "of banks now included in the series. The Board has authorized the Division of Bank Operations to communicate with the Federal Reserve Banks with respect to the tentative selections submitted and to determine, in consultation with the Federal Reserve Banks, which member banks should be included in the new series.

"As a result of the expanded coverage in the San Francisco District, it is quite probable that the release day of the Board's statement will be Wednesday when the revised series is inaugurated, instead of Tuesday as at present. There is no objection, however, to earlier release of the figures for each District."

Approved unanimously.

Letter to Mr. Willett, First Vice President of the Federal Reserve Bank of Boston, reading as follows:

"Reference is made to Mr. McRae's letter of February 10, 1947, submitting information with respect to the acquisition of certain assets and assumption of the deposit liabilities of the Ashaway National Bank, Ashaway, Rhode Island, by the Industrial Trust Company, Providence, Rhode Island, effected January 23, 1946.

"In view of the information submitted the Board of Governors concurs in the opinion of your counsel that the transaction did not involve a change in the general character of the assets of the member bank nor a broadening in the functions exercised by it, within the meaning of the condition of membership to which it is subject."

Approved unanimously.

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

"Reference is made to Mr. Stewart's letter of February 21, 1947, outlining the proposal to make certain improvements to the fourth floor of your head office building, including the installation

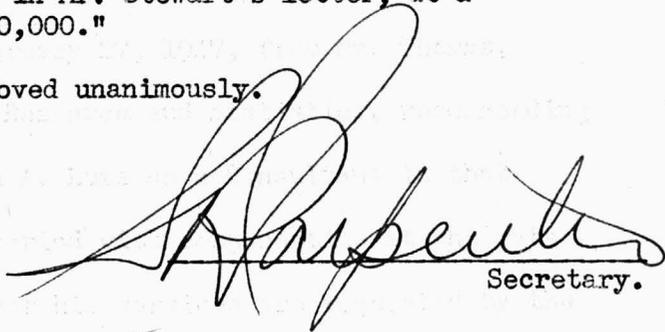
3/5/47

-8-

"of air conditioning. It is noted that this area was not included in the installation of air conditioning in 1939-1940, at which time it housed a recreational area. It is noted also that during the war it became necessary to use the space for working quarters and it is feared objections on the part of employees to working in the area will reach more serious proportions this year than during the summer of 1946 unless the space is air conditioned.

"In the circumstances the Board will interpose no objection to your proceeding with the alterations and additions to the fourth floor of the head office building, as outlined in Mr. Stewart's letter, at a cost not to exceed \$40,000."

Approved unanimously.


Secretary.

Approved:


Chairman.