

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, January 6, 1950. The Board met in the Board Room at 2:55 p.m.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Board
Mr. Riefler, Assistant to the Chairman
Mr. Thomas, Economic Adviser
Mr. Vest, General Counsel
Mr. Nelson, Director, Division of Personnel Administration
Mr. Young, Director, Division of Research and Statistics
Mr. Solomon, Assistant General Counsel
Mr. Wood, Economist, Division of Research and Statistics.

There were presented telegrams to the Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on January 4, and by the Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, Chicago, Minneapolis, and Dallas on January 5, 1950, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

There was then presented a draft of the final agenda for the Conference of Chairmen of the Federal Reserve Banks and the Board with the directors of the Federal Reserve Banks of New York and

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Minneapolis and their branches, to be held in Washington on January 16 and 17, 1950, in accordance with discussions at the meetings on October 18, 1949, and November 23, 1949, and there was a discussion of the arrangements being made for the Conference.

Following the discussion, upon motion by Mr. Szymczak, it was voted unanimously that the Board pay the costs of the dinner and luncheons and any other incidental expenses in connection with the Conference and that the appropriate item in the budget of the Division of Administrative Services would be increased by the amount of such costs.

At this point Messrs. Riefler, Thomas, Vest, Nelson, Young, Solomon, and Wood withdrew, and the action stated with respect to each of the matters hereinafter referred to was taken by the Board:

Memorandum dated December 30, 1949, from Mr. Young, Director of the Division of Research and Statistics, recommending an increase in the basic salary of Margaret R. Garber, a statistical assistant in that Division, from \$3,725 to \$3,825 per annum, effective January 8, 1950.

Approved unanimously.

Memorandum dated December 29, 1949, from Mr. Young, Director of the Division of Research and Statistics, recommending an increase in the basic salary of Gerald M. Alter, an economist in that Division, from \$6,400 to \$6,600 per annum, effective January 8, 1950.

Approved unanimously.

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Memorandum dated January 6, 1950, from Mr. Bethea, Director of the Division of Administrative Services, recommending that Henry Tate, who has been on military leave, be reinstated in his position as laborer in that Division, with basic salary at the rate of \$2,190 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination.

Approved unanimously.

Letter to Mr. McConnell, Vice President of the Federal Reserve Bank of Minneapolis, reading as follows:

"In accordance with the request contained in your letter of January 3, 1950, the Board approves the designation of Leander G. Tonsager as a special assistant examiner for the Federal Reserve Bank of Minneapolis."

Approved unanimously.

Memorandum dated December 30, 1949, from Mr. Thurston, Assistant to the Board, recommending that Susan S. Burr, Assistant to the Director of the Division of Research and Statistics, be appointed a member of the Editorial Committee.

Approved unanimously.

Letter to Mr. DeBanks M. Henward, Vice President, Syracuse Mortgage Corporation, Syracuse, New York, reading as follows:

"This refers to your letter of December 27, 1949, to the Federal Reserve Bank of New York, and to subsequent correspondence, requesting a determination as to the status of the Syracuse Mortgage Corporation as a holding company affiliate.

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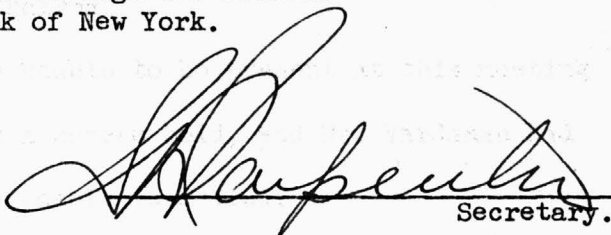
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"The Board understands that the Syracuse Mortgage Corporation owns 314 of the 500 outstanding shares of stock of the First National Bank of Morrisville, Morrisville, New York, but does not, directly or indirectly, own or control any stock of, or manage or control, any other banking institution.

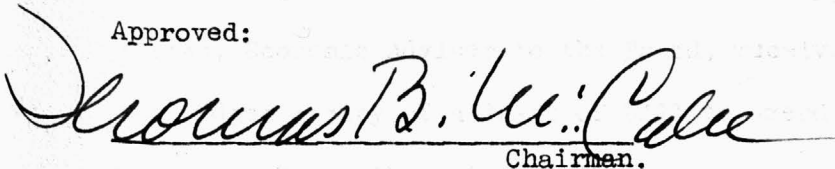
"In view of these facts, the Board has determined that the Syracuse Mortgage Corporation is not engaged, directly or indirectly, as a business, in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of section 2(c) of the Banking Act of 1933 as amended, and, accordingly, the Syracuse Mortgage Corporation is not a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act and does not need a voting permit from the Board of Governors in order to vote the bank stock which it owns.

"If, however, the facts should at any time differ from those set out above to an extent which would indicate that the Syracuse Mortgage Corporation might be deemed to be so engaged, this matter should again be submitted to the Board. The Board reserves the right to make a further determination at any time on the basis of the then existing facts."

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


Secretary.

Approved:


Chairman.