

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, February 15, 1950.

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

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on February 14, 1950, were approved unanimously.

Memoranda from the heads of the divisions indicated below, recommending appointments to the staff in those divisions, effective as of the dates upon which the appointees enter upon the performance of their duties after having passed the usual physical examination:

<u>Memo</u>	<u>Name</u>	<u>Title</u>	<u>Salary</u>	<u>Duration of Appointment</u>
2/14/50	Miss Edith Eloise Giddings	Clerk	\$2,650	Permanent
2/13/50	Mr. Leroy Dunn	Research Assistant	3,100	Temporary Indefinite

Approved unanimously.

Memoranda from the heads of the divisions indicated below, recommending increases in the basic annual salaries of the following employees in those divisions, effective February 19, 1950:

<u>Memo</u>	<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
			<u>From</u>	<u>To</u>
2/10/50	Lois L. Waller	Clerk-Stenographer	\$3,050	\$3,130

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Date of Memo	Name	Title	Salary Increase	
			From	To
2/10/50	Ruth Jarvis	Maid	\$2,572	\$2,652
<u>BANK OPERATIONS</u>				
2/14/50	Mary M. Durkan	Analyst	3,950	4,075
2/14/50	Thelma C. Millican	Statistical Clerk	3,725	3,850
<u>OFFICE OF THE SECRETARY</u>				
2/15/50	E. Betz Poeppel	Chief, Files Section	5,800	6,000
2/15/50	Beatrice E. Hunter	Assistant Chief, Files Section	4,200	4,325
2/15/50	Marion H. Derr	Records Clerk	2,955	3,035
2/15/50	Ruth W. Franta	File Clerk	2,890	2,970
2/15/50	Kathleen J. O'Connor	File Clerk	2,890	2,970

Approved unanimously.

Memorandum dated February 15, 1950, from Mr. Leonard, Director of the Division of Bank Operations, recommending an increase in the basic salary of Paul F. Smith, an analyst in that Division, from \$4,450 to \$4,600 per annum, effective February 19, 1950.

Approved unanimously.

Letter to Mr. Evans, c/o Mr. Earhart, President of the Federal Reserve Bank of San Francisco, reading as follows:

"Reference is made to your letter of December 8, 1949, in which you informed the Board of the oral supplemental request of Mr. Stewart, Transamerica's attorney, that the Board obtain from the appropriate supervisory agencies a list of the reasons for the denials of the applications listed on Respondent's Exhibit 250 in the above matter (R. 7114-7115). After receipt and consideration of your letter, the Board wrote to the Comptroller of the Currency and to the Federal Deposit Insurance Corporation, informed them of Mr. Stewart's request and inquired whether they were willing to supply the Board with the information which Mr. Stewart desired.

"The Board has now been advised by letters from the Deputy Comptroller of the Currency and from the Secretary

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"of the Federal Deposit Insurance Corporation that the Comptroller and the Corporation decline to furnish the information requested by Mr. Stewart for the reason that such information is of a 'confidential nature'. The Board is therefore unable to comply with Mr. Stewart's supplemental request insofar as it relates to the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

"Insofar as Mr. Stewart's request relates to the Board's reasons for denying the applications shown by Respondent's Exhibit 250 to have been denied by the Board, you are advised that in each of the years 1942 and 1944 the Board of Governors of the Federal Reserve System denied one application of a State member bank for permission to establish a new branch. Each of these two applications was filed by the First Trust and Savings Bank of Pasadena, Pasadena, California, and each sought permission to establish a new branch at Alhambra, California. The statistical table entitled 'Applications for the Establishment of New Branches Received from State Member Banks by the Board of Governors of the Federal Reserve System', attached to the Board's order of September 30, 1949, mistakenly showed denial by the Board of two 1942 applications for the establishment of 'New Branches'. The figure should have been one. The table, and Respondent's Exhibit 250, which was based in part thereon, should be corrected accordingly.

"The reasons for the Board's denial of the application filed in 1942 were stated in a letter, dated November 13, 1942, from Governor M. S. Eccles, then Chairman of the Board of Governors of the Federal Reserve System, to the late Mr. A. P. Giannini, then Chairman of the Board of Directors of Transamerica. A copy of this letter was identified at R. 552 in this proceeding, was admitted in evidence at R. 553, and appears in the record as Federal Reserve Board's Exhibit 36-0. The reasons for the Board's denial of the 1944 application were the same as its reasons for denying the 1942 application.

"Copies of this letter are being forwarded to Mr. Stewart and to the Solicitor for the Board. In order that the record may show the Board's action on Mr. Stewart's oral supplemental request, however, the Board desires that you make this letter a part of the record in the Transamerica proceeding.

"Governor Eccles took no part in the Board's consideration of or action upon the request referred to."

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Approved unanimously,
Mr. Eccles not participating
in the consideration of or vote
on this matter.

Letter to Mr. Gustavo Martinez Cabanas, Executive Secretary,
United Nations Economic Commission for Latin America, Santiago, Chile,
reading as follows:

"The Board desires to acknowledge with sincere appreciation your letter of February 2, addressed to Mr. Young, in which you request the services of our staff member, Mr. David Grove, for a period of three months to assist your organization in preparing the Second Annual Survey of Latin America. We are gratified to know that Mr. Grove has been considered for this important task and have given most careful consideration to this matter. However, Mr. Grove, who has only recently returned to Washington after an absence of more than a year, during which time he served as adviser to the newly established Central Bank of the Philippines, is engaged at present in several urgent assignments for the Board. In these circumstances, much as we regret to take this position, we feel that we are unable to comply with the request which you have made.

"We trust that you will feel assured of our continued good will toward your organization and that you will realize that our decision was made necessary by the circumstances which I have mentioned."

Approved unanimously.


Secretary.

Approved:


Chairman.