

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, March 24, 1950.

PRESENT: Mr. Szymczak, Chairman pro tem.
Mr. Draper
Mr. Vardaman

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary

Telegram to the Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on March 22, by the Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, and Dallas on March 23, and by the Federal Reserve Bank of St. Louis on March 24, 1950, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Telegram to Mr. Erickson, President of the Federal Reserve Bank of Boston, reading as follows:

"Retel March 20, Board approves effective March 24, 1950, on purchases of Government securities under resale agreement minimum rate of 1/8 per cent above average issuing rate on most recent issue of United States Treasury bills, as authorized by Federal Open Market Committee on March 1, 1950. Otherwise Board approves establishment by your Bank, without change, of rates of discount and purchase in Bank's existing schedule, advice of which was contained in your telegram dated March 20."

Approved unanimously.

3/24/50

-2-

Memorandum dated March 23, 1950, from Mr. Sloan, Assistant Director, Division of Examinations, recommending that the voucher claiming per diem for the period March 1, 1950 to March 15, 1950, for J. W. Williams, Assistant Federal Reserve Examiner, covering a period while he was hospitalized, be paid in full.

Approved unanimously.

Letter to Honorable Frank Pace, Jr., Director, Bureau of the Budget, Washington 25, D. C., reading as follows:

"The Board has prepared the enclosed report in compliance with a request from the Senate Committee on Banking and Currency for an expression of opinion by April 1, 1950, on Committee Print No. 3 of S. 529 entitled the 'Economic Development Corporation Act of 1950'.

"Before transmitting this report, the Board will appreciate advice as to the relationship of the proposed legislation to the program of the President."

Approved unanimously.

Letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"The Board of Governors approves the payment of salary to you as President at the rate of \$50,000 per annum and to Mr. L. R. Rounds as First Vice President at the rate of \$35,000 per annum, these being the rates reported in your letter of March 21, 1950, as having been fixed by the directors, for the period April 1, 1950, through February 28, 1951, the date of expiration of your terms of office.

"The Board of Governors also approves the payment of salary to the following officers at the rates indicated, which, according to your letter of March 21, 1950, are the rates which were fixed by the Board of Directors, for the period April 1, 1950, through March 31, 1951.

3/24/50

-3-

<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
Bilby, Harold A.	Vice President	\$16,000
Kimball, Herbert H.	Vice President	17,500
Knoke, L. Werner	Vice President	23,500
Logan, Walter S.	Vice President and General Counsel	25,000
Phelan, Arthur	Vice President	20,500
Roelse, Harold V.	Vice President	19,000
Rouse, Robert G.	Vice President	27,500
Willis, Valentine	Vice President	19,500
Wiltse, Reginald B.	Vice President	17,000
Tiebout, Todd G.	Asst. General Counsel	17,500
Trimble, Rufus J.	Asst. General Counsel	15,000
Cameron, Donald J.	Asst. Vice President	12,000
Davis, Felix T.	Asst. Vice President	14,500
Davis, Norman P.	Asst. Vice President	13,500
Harris, Marcus A.	Asst. Vice President	12,500
Miller, Silas A.	Asst. Vice President	16,000
Sanford, Horace L.	Asst. Vice President	15,500
TenEyck, Otto W.	Asst. Vice President	13,000
Treiber, William F.	Asst. Vice President	16,500
Wurts, John H.	Asst. Vice President	15,500
Sheehan, William F.	Chief Examiner	15,000
Abrahams, William F.	Mgr., Security Custody Dept.	9,500
Boyd, Harry M.	Mgr., Safekeeping Dept.	10,000
Burt, Wesley W.	Mgr., Savings Bond Dept.	11,000
Carroll, James J.	Mgr., Planning Dept.; also Asst. Secretary of Bank	13,000
Crosse, Howard D.	Mgr., Bank Relations Dept.	10,000
Fitchen, Paul R.	Mgr., Cash Dept.	10,500
Heinl, William A.	Mgr., Personnel Dept.	10,000
Lang, Peter P.	Mgr., Accounting Dept.	12,000
Marsh, Spencer S., Jr.	Mgr., Securities Dept.	10,750
McLaughlin, Michael J.	Mgr., Cash Custody Dept. and Govt. Check Dept.	9,000
Moore, O. Ernest	Mgr., Research Dept.	11,000
Peterson, Franklin E.	Mgr., Collection Dept.	10,000
Rozell, Walter H., Jr.	Mgr., Foreign Dept.	11,500
Scheffer, Ralph W.	Mgr., Service Dept.	10,000
Van Houten, Charles N.	Mgr., Govt. Bond Dept. and R. F. C. Custody Dept.	11,000

3/24/50

-4-

<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
Warner, Walter C.	Mgr., Credit Dept. and Discount Dept.	\$10,000
Wendell, Roy E.	Mgr., Check Dept.	11,000
Wessel, Harold M.	Mgr., Accounting Dept.	10,000
Brome, Robert H.	Assistant Counsel	12,500
Clarke, John J.	Secretary and Asst. Counsel	12,500
Dillistin, William H.	General Auditor	17,000
Bowman, Curtis R.	Asst. General Auditor <u>Buffalo Branch</u>	12,000
Smith, Insley B.	General Manager	15,000
Snow, Halsey W.	Cashier	10,000
Doll, George J.	Assistant Cashier	9,500
Myers, M. Monroe	Assistant Cashier	7,700

"It is understood that Messrs. Dillistin, Snow, and Sheehan will reach retirement age during 1950 and the payment of their salaries is accordingly approved only until the date of retirement.

"The Board of Governors also approves the payment of salary to Mr. John H. Williams as Economic Adviser for the period April 1, 1950, through March 31, 1951, at the rate of \$22,000 per annum when he is engaged in the work of the Bank on a full-time basis, and when he is not engaged in the work of the Bank on a full-time basis, at the rate of \$84.62 per day for each day on which he spends any time, on behalf of the Bank, at the Bank or at a Federal Reserve or related meeting elsewhere, plus his reasonable travel, lodging and subsistence expenses."

Approved unanimously.

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

"Enclosed herewith is a copy of a letter dated February 22, 1950, from Mr. Robert D. Tucker, Los Angeles, California, relating to his efforts to obtain statistical information concerning common trust funds for use in preparing a doctoral dissertation for submission to the Department of Economics of the University of California at Los Angeles.

3/24/50

-5-

"Copies of a letter of November 15, 1949, from Mr. Tucker, and our reply of December 7, 1949, concerning the same subject, were sent to Mr. Volberg on the latter date; and, on December 12, 1949, Mr. Volberg sent us copies of his correspondence with Mr. Tucker and stated that Mr. Tucker had called at your Bank to discuss his project.

"In our reply to Mr. Tucker's prior letter, we indicated our reservations concerning the publication of common trust fund statistics such as he had in mind, but stated that there would appear to be no objection to a private study of common trust funds if it could be arranged that the study would not be published or made available for quotation.

"You will note from the enclosed letter that Mr. Tucker now states that he has obtained permission to state on the cover of his dissertation that publication of the information contained therein is unauthorized and that he will provide each bank from which he solicits information a copy of a letter from the Department of Economics of his University stating that publication will not be authorized. However, it appears from his letter that, while some banks have given him the information which he desires, others have indicated that, before furnishing copies of the annual reports of their common trust funds to him, they desire more definite assurances that such action will not be regarded as a violation of section 17 of Regulation F. Therefore, he requests a letter from the Board authorizing him to solicit the information which he desires, together with authority to send copies of the letter to the banks from which he solicits information.

"Banks are under no obligation, of course, to furnish Mr. Tucker the information which he desires and, accordingly, it would not be appropriate for us to take any action which might be regarded by the banks as a direction to furnish the information. Also, having no information concerning Mr. Tucker except his own statements, we do not feel that we should give any further clearance in this matter unless your Bank is satisfied with respect to the reliability of Mr. Tucker and his assurances that the information in question will not be made available for publication. However, if you are satisfied in these respects, you may advise Mr. Tucker that the Board will not regard it as a violation of

3/24/50

-6-

"Regulation F for banks to furnish copies of the annual reports of their common trust funds for use in preparing his dissertation under the conditions stated by him with respect to publication of the information and the identification of particular common trust funds, and that, if banks with which he communicates desire further assurances in this respect, he may suggest that they write either to you or to the Board.

"We are not writing to Mr. Tucker directly, and it will be appreciated if you will dispose of this matter, advising us as to the action taken."

Approved unanimously.

Letter to Mr. Tillander, Chief Examiner of the Federal Reserve Bank of Minneapolis, reading as follows:

"This refers to your letter of December 13, 1949, requesting advice as to whether you may furnish copies of reports of examination of Montana Bank and Trust Company, Great Falls, Montana, made by examiners for your Bank to Mr. Otto Bremer, St. Paul, Minnesota, principal stockholder of the bank.

"While the Board raises no question with respect to Mr. Bremer, the furnishing of copies of such reports of examination to him would raise questions as to how far the policy thus established might be followed in other similar cases. The Board has, therefore, reached the conclusion that the Reserve Bank should not furnish copies of the reports of examination directly to Mr. Bremer as long as he is not a director or an officer of Montana Bank and Trust Company."

Approved unanimously.

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

"Reference is made to your letters of March 14, 1950, regarding the proposed expenditures of approximately \$378,000 for modernization of the

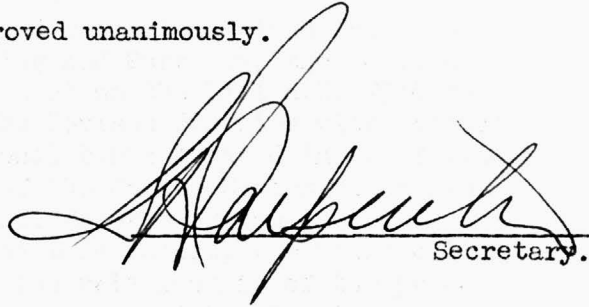
3/24/50

-7-

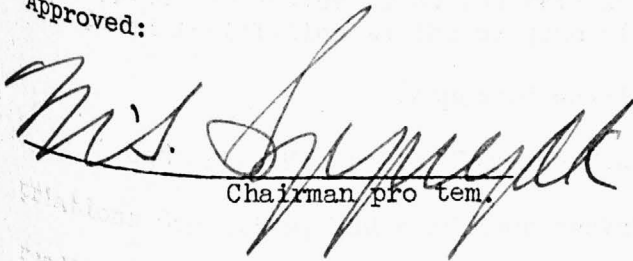
"passenger elevators at the main office and of approximately \$50,000 for alterations to the Cincinnati branch building.

"We understand that at the request of the Directors a program of the repairs, alterations and improvements to be considered within the next five years is being developed. Can you tell us when it is expected that the program will be reviewed by the Directors as, if it is at all possible, the Board would prefer to consider the two projects referred to in your letters of March 14 in the light of the long-range program?"

Approved unanimously.


Secretary.

Approved:


Chairman pro tem.