

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

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

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 17, 1950, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 18, 19, and 21, 1950, were approved and the actions recorded therein were ratified unanimously.

Memorandum dated April 14, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending that there be established in that Division the position of Secretary to Mr. Garfield, Adviser on Economic Research, and that Mrs. Evelyn L. Hempstead, presently a clerk-stenographer in the Division of Research and Statistics be appointed to the position with no change in her present salary of \$3,355.

Approved unanimously.

Memorandum dated April 17, 1950, from Mr. Bethea, Director of the Division of Administrative Services, recommending increases in the basic annual salaries of the following employees in that Division, effective April 30, 1950:

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<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Edward L. Hampton	Tabulation Planner	\$3,575	\$3,825
Mary E. Sanders	Assistant Supervisor Stenographic Section	3,035	3,195

Approved unanimously.

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

"Reference is made to your letter of April 17, 1950, advising that Mr. Robert H. Brome is resigning effective April 30, 1950, and requesting the approval of the Board of Governors for the payment of salary to Mr. Edward G. Guy who is to be promoted to the official position of Assistant Counsel.

"The Board of Governors approves the payment of salary to Mr. Edward G. Guy as an officer of the Bank with the title of Assistant Counsel at the rate of \$9,000 per annum for the period May 1, 1950, to March 31, 1951, inclusive."

Approved unanimously.

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

"Receipt is acknowledged of Mr. Carroll's letter of April 13 reporting the action taken by your directors at their meeting on April 13 in granting leaves of absence with pay to certain members of your Bank's staff, as listed below, in order to permit them to engage in foreign travel during the current year.

Mr. Charles R. Pricher, Assistant Chief, Foreign Operations Division, Foreign Department.

Mr. Charles R. Athern, Special Assistant, Foreign Department.

Mr. Walter S. Rushmore, Special Assistant, Foreign Department.

Mr. Bertrand H. Webber, Chief of the Foreign Operations Division, Foreign Department.

Mr. Charles A. Coombs, economist in the Foreign Research Division, Research Department.

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"We note that, subject to later developments which might require rearrangement of the program, Messrs. Pricher, Athern, and Rushmore will visit Ottawa at various times for two weeks each to observe the operations of the Bank of Canada; that Mr. Webber will visit the Bank of England later in the year for a period of six or eight weeks to make a study of operating procedures at that Bank; and that Mr. Coombs will accompany Mr. Webber to London and thereafter proceed to the Continent for an additional period. The Board has no objection to the proposed program, which has been discussed informally at the staff group level."

Approved unanimously.

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

"There is enclosed a copy of a memorandum and accompanying table on the subject of designation of reserve cities under the rules adopted by the Board in 1947. It will be noted that, on the basis of present available information, the reserve city status of 13 cities will be terminated on March 1, 1951 unless every member bank in the respective cities (except banks in outlying sections with permission to carry reduced reserves) requests continuance of the reserve city designation.

"As indicated in the memorandum, the actual determination of reserve city designations as of March 1, 1951 will be based on averages of call date figures during the two-year period ending June 30, 1950. Accordingly, the enclosed data are sent to you merely for your current information. There is no objection, however, to a Federal Reserve Bank's advising the member banks concerned of the indicated prospective terminations of reserve city designations."

Approved unanimously.

Letter to Mr. Woolley, Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

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"This refers to your letter of April 12, 1950, addressed to Mr. Millard, transmitting the request for an opinion as to whether the Security National Bank, Duncan, Oklahoma, without having authority to exercise trust powers under section 11 (k) of the Federal Reserve Act, may act as paying agent for interest coupons on bonds issued in connection with the construction of a local church.

"Although it is not so stated in the correspondence, it is assumed that the bank will have no responsibility or obligation to the bond holders other than to pay the interest coupons as they are presented when due if sufficient funds are on deposit at that time. If such is the case, it appears that the bank would be accepting a special deposit but no duties of a strictly fiduciary nature would be performed. Based upon this assumption, the Board is of the opinion that the national bank may act in this capacity without having received authority to exercise trust powers. In this connection, your attention is called to a ruling by the Board published in the 1922 Bulletin at page 572 (F.R.L.S. #4042)."

Approved unanimously.

Letter to Dr. E. A. Goldenweiser, Institute for Advanced Study, Princeton, New Jersey, reading as follows:

"In accordance with the arrangement which Mr. Townsend made with you, we have sent to you the portions of the transcript of the hearings in the Clayton Act proceeding against Transamerica which contain the testimony of Messrs. Jacoby, Westerfield, and Tapp.

"It is understood that you will read this testimony, noting all of the points on which the testimony of the three witnesses differs from the testimony which you gave, and that you will prepare for the use of Mr. Townsend a memorandum covering each of the points on which the Transamerica testimony differs from the testimony which you gave.

"The Board has approved an arrangement under which you will be compensated at the rate of \$50 per day for each day spent in the preparation of the memorandum. You will also be reimbursed for the stenographic service necessary in the preparation of the memorandum. In this

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"connection, it is suggested that you arrange for the services of a stenographer in Princeton and that you include the cost of these services in the voucher covering the other costs involved in the performance by you of this special task for the Board."

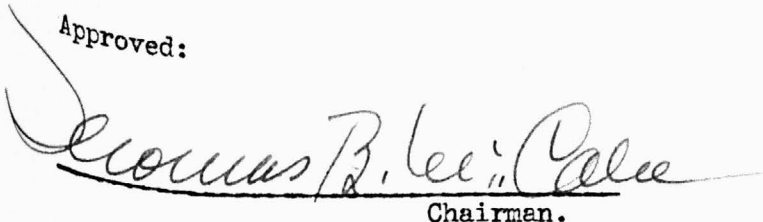
Approved, Mr.  
Vardaman voting "no".

Memorandum dated April 17, 1950, from Mr. Nelson, Director of the Division of Personnel Administration, recommending that Mr. Alfred H. Conrad be reimbursed the sum of \$71.65 for his travel expenses from Boston, Massachusetts, to Washington D. C. and return, for the purpose of a physical examination by the Board's physician.

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.