Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, June 28, 1950. The Board met in the Board Room at 10:45 a.m.

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

Mr. Carpenter, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Board
Mr. West, General Counsel
Mr. Chase, Assistant Solicitor

Mr. Carpenter read a telegram dated June 28, 1950, from Mr. O’Kane, Assistant General Counsel of the Federal Reserve Bank of San Francisco, who had accompanied the Board’s Solicitor, Mr. Townsend, at the hearing on June 24 before the United States Court of Appeals for the Ninth Circuit in San Francisco on the petition to vacate the order issued by the Court on June 23, 1950, temporarily restraining Bank of America National Trust and Savings Association, from acquiring the assets of some 22 banks controlled by Transamerica Corporation. The telegram set forth Mr. O’Kane’s recollection of what Mr. Townsend said at the hearing on the two matters referred to in the letter from the Comptroller of the Currency dated June 26, 1950 and made it clear that Mr. Townsend did not, as alleged by counsel for Bank of America, say that in granting branch permits to Bank of America the Comptroller’s Office had not considered the public interest and that the Board had first learned of the proposed establishment of the branches on June 13, 1950.
Mr. Carpenter then read the telegram dated June 26 from the Comptroller of the Currency to Mr. L. M. Giannini, President of Bank of America, a copy of which was attached to the letter from the Comptroller to Chairman McCabe under date of June 26, 1950, in which the Comptroller advised Mr. Giannini, in answer to his counsel's inquiry concerning the alleged statements attributed to Mr. Townsend, that the Comptroller in granting the branch permits in question had determined that this action was in the public interest; also that the Chairman of the Board of Governors had been notified at least as early as April 11 of the Comptroller's intention to grant the branch permits in connection with a contemplated increase in the capital of Bank of America and had been kept generally informed of the status of the branch applications.

Mr. Carpenter said that this raised the question as to whether the Board should respond to the Comptroller's letter of June 26, 1950, and also as to what information should be furnished by the Board to Mr. Townsend since he felt that counsel for Bank of America undoubtedly would press the point of the Board's purported delay in petitioning the Court for a restraining order.

There followed a general discussion of developments leading up to the letter received by the Board from the Comptroller of the Currency under date of June 20, 1950, in which he advised that the branch permits in question had been granted on that day.

At the conclusion of the discussion it was agreed that the Sec-
retary, in collaboration with other members of the staff, should prepare a memorandum of the material in the Board's files relating to this matter, including references to previous correspondence with the Office of the Comptroller concerning Bank of America branch permits. This action was taken with the understanding that when the memorandum was completed consideration would be given by the Board to the form in which the information should be made available to Mr. Townsend for presentation to the Court should that become necessary.

At this point all of the members of the staff with the exception of Messrs. Carpenter and Kenyon withdrew, and the action stated with respect to each of the matters hereinafter referred to was taken by the Board:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on June 27, 1950, were approved unanimously.

Memorandum dated June 23, 1950, from Messrs. Young and Noyes, Director and Assistant Director of the Division of Research and Statistics, respectively, recommending the appointment of Philip M. Webster as an economist in that Division, with basic salary at the rate of $3,825 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.

Memorandum dated June 26, 1950, from Mr. Millard, Director of the Division of Examinations, recommending an increase in the
basic salary of Caroline M. Clark, a stenographer in that Division, from $2,450 to $2,610 per annum, effective July 9, 1950.

Approved unanimously.

Memorandum dated June 27, 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 July 9, 1950:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Salary Increase</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ida Goodloe</td>
<td>Supervisor, Steno. Sec.</td>
<td>$4,075</td>
<td>$4,200</td>
<td></td>
</tr>
<tr>
<td>J. Robert Surguy</td>
<td>Printing Clerk</td>
<td>3,225</td>
<td>3,350</td>
<td></td>
</tr>
<tr>
<td>Joseph H. Hoyle</td>
<td>Clerk</td>
<td>3,035</td>
<td>3,115</td>
<td></td>
</tr>
<tr>
<td>William Hyde</td>
<td>Sergeant</td>
<td>2,980</td>
<td>3,060</td>
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<tr>
<td>Margaret J. Henn</td>
<td>Page</td>
<td>2,280</td>
<td>2,360</td>
<td></td>
</tr>
<tr>
<td>Dorothy Mosher</td>
<td>Charwoman</td>
<td>2,190</td>
<td>2,260</td>
<td></td>
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Approved unanimously.

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

"In accordance with the request contained in your letter of June 22, 1950, the Board of Governors approves, effective June 23, 1950, the appointment of Mr. Benjamin B. Monaghan as Federal Reserve Agent's Representative at the Memphis Branch with salary at the rate of $4,620 per annum.

This approval is given with the understanding that Mr. Monaghan will be placed upon the Federal Reserve Agent's pay roll and will be solely responsible to him or, during a vacancy in the office of the Federal Reserve 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 Federal Reserve Agent's Representative he may, with the approval of the Federal Reserve Agent or, in his absence, of the Assistant Federal Reserve Agent, and the Vice President in charge of the Memphis Branch, perform such work for the Branch as will not be in-
"consistent with his duties as Federal Reserve Agent's Representative.

"It is noted from your letter that when Mr. Monaghan assumes his duties as Federal Reserve Agent's Representative his oath of office will be forwarded to the Board of Governors."

Approved unanimously.

Memoranda dated May 4 and 16, 1950, from Mr. Carpenter submitting drafts of entries for the record maintained by the Board, in accordance with the provisions of the last paragraph of section 10 of the Federal Reserve Act, with respect to the policy actions taken by the Board of Governors of the Federal Reserve System during the year 1949.

Approved unanimously, with the understanding that Mr. Carpenter would check with the Federal Reserve Bank of New York the inclusion of one item in the policy record before publication as indicated in the memorandum of May 16, 1950.

[Signature]
Secretary.