

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, July 6, 1950.

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

Mr. Carpenter, Secretary  
Mr. Kenyon, Assistant Secretary

Memorandum dated June 29, 1950, from Mr. Sloan, Assistant Director of the Division of Examinations, submitting for approval letters to the following foreign banking corporations calling for the submission of reports of condition as of June 30, 1950:

Bankers Company of New York	New York, N. Y.
First of Boston International Corporation	New York, N. Y.
International Banking Corporation	New York, N. Y.
Morgan & Cie. Incorporated	New York, N. Y.
The Chase Bank	New York, N. Y.
Bank of America	New York, N. Y.

The memorandum stated that the first four corporations were organized under State laws but operate under agreements made with the Board pursuant to the provisions of section 25 of the Federal Reserve Act, and that The Chase Bank and Bank of America were chartered by the Board under the provisions of section 25(a) of the Act.

Approved unanimously.

Memorandum dated July 3, 1950, from Mr. Marget, Director of the Division of International Finance, recommending an increase in the basic salary of Miss Caroline Lichtenberg, an economist in that Division, from \$3,825 to \$3,950 per annum, effective July 9, 1950.

Approved unanimously.

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Memorandum dated July 3, 1950, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the resignation of Ernest I. Burke, a guard in that Division, be accepted to be effective, in accordance with his request, at the close of business July 7, 1950.

Approved unanimously.

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

"Reference is made to your letter of June 26, 1950, advising that the Board of Directors of the Federal Reserve Bank of New York has granted leave with pay for a period of up to forty days to Mr. Henry C. Wallich, Chief, Foreign Research Division, Research Department, in order to enable him to undertake an assignment as a member of the New York Regional Team which is to assist Mr. Gordon Gray, Special Assistant to the President, in connection with a special project which Mr. Gray is undertaking for the President of the United States, having to do with the problem of foreign aid after 1952.

"It is noted in Mr. Dawson's letter of June 22, 1950, to Mr. Sproul, copy of which was enclosed with your letter, that the Executive Office of the President requests that Mr. Wallich be made available on or about June 24, 1950, for this assignment. It is further noted that the Executive Office of the President will authorize and provide reimbursement for any transportation expenses or per diem in lieu of subsistence incurred in connection with Mr. Wallich's assignment.

"This matter has been brought to the attention of the members of the Board, and no objection is interposed to Mr. Wallich's assignment."

Approved unanimously.

Letter to Mr. Morrison, Vice President of the Federal Reserve

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Bank of Cleveland, reading as follows:

"Reference is made to your letter of July 3, 1950, requesting the Board's approval for the payment of salary to an employee of the Federal Reserve Bank of Cleveland at a rate which is in excess of the maximum for the grade in which his present position is classified.

"For the reasons given in your letter the Board of Governors approves the payment of salary to Mr. Arthur Crosby Hichens, Card Check Receiving and Shipping Clerk, at the rate of \$3060 per annum, which rate exceeds the maximum of the salary grade in which his position is classified."

Approved unanimously.

Letter to Mr. Slade, Vice President of the Federal Reserve

Bank of San Francisco, reading as follows:

"In accordance with the request contained in your letter of June 30, 1950, the Board approves the appointment of Ernest A. Heron as an assistant examiner for the Federal Reserve Bank of San Francisco."

Approved unanimously.

Letter to Mr. Armistead, Vice President of the Federal Re-

serve Bank of Richmond, reading as follows:

"Reference is made to your letter of June 22, 1950, submitting the request of the Union Trust Company of Maryland, Baltimore, Maryland, for permission to establish a branch in the Dundalk area, which is located in Baltimore County, just outside the city limits of Baltimore.

"In view of your recommendation, the Board of Governors approves the establishment and operation of a branch in the Dundalk area, Baltimore County, Maryland, by the Union Trust Company of Maryland, Baltimore, Maryland, provided the branch is established within six months from the date of this letter and with the understanding that Counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to establish the branch."



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Approved unanimously.

Letter for the signature of the Chairman, to Mr. John S. Coleman, President, Burroughs Adding Machine Company, Detroit, Michigan, reading as follows:

"Bob Stevens has written that as Chairman of the Conference of Chairmen of the Federal Reserve Banks he has appointed you as a member of the three-man committee composed of a representative of the Chairmen's Conference, the Presidents Conference, and the Board of Governors to submit a report on the problems involved in the effective budgetary control of expenses of the Federal Reserve Banks. The Board has appointed Mr. Evans as a member to serve on the committee and the Presidents have appointed Mr. Leach, President of the Federal Reserve Bank of Richmond.

"The Board would be pleased if you would serve as Chairman of the committee.

"It was thought when the matter was discussed by the Board and the Presidents at their recent joint meeting, the first thing the committee should do is to submit a recommendation, for approval by the Presidents, the Chairmen, and the Board, as to how the study should be made. We would be pleased if you would suggest two or three alternative dates when the committee can get together and we will be glad here to make the necessary arrangements for the meeting on one of those dates. Mr. Evans will be on vacation until July 17 but if it should be convenient for you and Mr. Leach to meet before that date either Mr. Szymczak or I will sit with the committee for its first meeting."

Approved unanimously.

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

"Your wire July 5 to Thomas. There appears no reason why the Boston Bank should not cooperate with Banco de Guatemala and permit Mr. Rafael Piedrasanta

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"to spend the summer with your Bank. We assume that this merely involves use of your Bank's facilities to give Mr. Piedrasanta experience and practice in regional economic research and does not involve paying him any salary or stipend."

Approved unanimously.

Memorandum dated May 24, 1950, from the Division of Personnel Administration, submitting a revised statement of Board procedures regarding fair employment practices pursuant to Executive Order No. 9980, dated July 26, 1948, relating to fair employment practices within the Federal establishments.

Approved unanimously in the following form with the understanding that copies would be sent to the Fair Employment Board of the Civil Service Commission:

The following procedures are hereby established in order to carry out the spirit and purpose of Executive Order of the President 9980, dated July 26, 1948, relating to Fair Employment Practices within the Federal establishment.

A. It is the policy of the Board of Governors of the Federal Reserve System that all personnel actions, including selection for employment, shall be based solely on merit and on the qualifications of applicants or employees available, regardless of political affiliations, creed, color, race, or national origin, and having due regard for veterans' preference as set forth in the Veterans' Preference Act of 1944. Within the meaning of these procedures, personnel actions shall include failure to act.

B. The Personnel Officer of the Board's staff has been designated as Fair Employment Officer and it is his duty, among other things, to appraise at regular intervals all personnel actions involving employees of the Board of Governors to determine whether such actions conform to the Fair Employment Policy expressed above.

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C. Any employee of the Board of Governors, or any person failing of appointment to a position on the Board's staff, who feels that a personnel action affecting him has been taken because of race, color, religion, or national origin may file a complaint with the Fair Employment Officer. All such complaints shall be in writing and shall state specifically and in detail the facts which in his judgment constitute alleged discrimination against him on grounds of race, color, religion or national origin, together with full information regarding the specific personnel action complained of, the approximate date, and the reasons in support of the alleged discrimination. No complaint shall be considered unless filed with the Fair Employment Officer within 30 days from the date the complainant learns of the alleged discrimination and not later than six months from the date of the personnel action which constitutes the basis of the complaint.

D. Upon the receipt of any such complaint, the Fair Employment Officer shall promptly make such investigation as he deems necessary to ascertain the facts alleged in the complaint and, if possible through informal negotiations, attempt to effect a satisfactory solution of the complaint. If a satisfactory solution can not be effected by informal negotiations, the Fair Employment Officer shall, on the basis of all material facts relevant to the complaint, make a decision as to whether there has been discrimination as alleged in the complaint.

E. If such decision is favorable to the complainant the Fair Employment Officer shall report the matter to the Board's Personnel Committee, together with his recommendation, for such corrective action as may be necessary. If the decision of the Fair Employment Officer is unfavorable to the complainant, the Fair Employment Officer shall so inform him in writing and advise him of his right to appeal to the Board's Personnel Committee within 10 days from the date of the receipt of the decision. Such appeal shall be made in writing. The complainant shall also be advised that he has the right to be represented by counsel and that he may request a hearing before the Board's Personnel Committee if he so desires. A transcript or summary of the testimony at any such hearing shall be



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available for inspection by the complainant or his authorized representative. The Fair Employment Officer shall make a written report of the matter, including such recommendation as he deems advisable to the Board's Personnel Committee. In all appeals the Personnel Committee shall make a decision in the matter based upon all the facts contained in the record of the case, and notify the interested parties in writing of such decision. The decision of the Personnel Committee shall be reported to the Board of Governors and, if it is not disagreed to or changed by the Board of Governors, such decision will be regarded as final action by the Board of Governors.

F. The Secretary of the Board of Governors will notify the complainant of any such final action by the Board of Governors and, in the event such final action is adverse to him, of his further right of appeal to the Fair Employment Board of the Civil Service Commission. Any such appeal must be made within ten days of the date of receipt of the adverse decision and a copy of the notice of the adverse decision must accompany each appeal. If the complainant elects to appeal to the Civil Service Commission under authority of Law, such as the Veterans' Preference Act of 1944, he may not thereafter avail himself of the procedures under Executive Order No. 9980.

Memorandum dated July 3, 1950, from Mr. Marget, Director of the Division of International Finance, recommending that Frank M. Tamagna, a member of the Division staff who is currently in Europe on loan to the Economic Cooperation Administration, be permitted to attend meetings of the United Nations Economic and Social Council at Geneva for a period not to exceed three days, plus travel time, during the month of July, it being understood that Mr. Tamagna would attend such meetings as an informal observer.

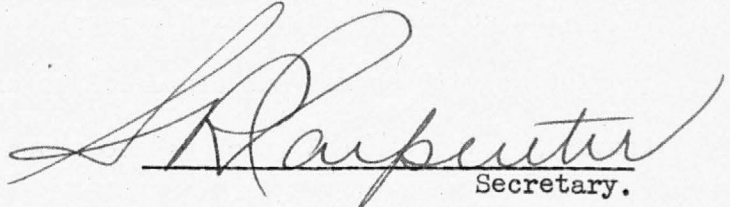
Approved unanimously.

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Memorandum dated July 6, 1950, from Mr. Szymczak, recommending that the Board authorize the use of the Board Room on July 19 by the Gordon Gray Committee, and that office space be assigned, in addition to Room 2019, for the use of the staff of that Committee during the period July 19 to 28, inclusive, except Saturdays and Sundays.

Approved unanimously.

  
Secretary.