Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, August 2, 1950.

PRESENT: Mr. McCabe, Chairman
         Mr. Evans
         Mr. Vardaman

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

Memorandum dated July 28, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending that the Board approve the establishment of basic salary at the rate of $7,400 per annum for James H. Lorie, whose appointment as an economist in that Division was approved by the Board on July 20, 1950.

Approved unanimously.

Memorandum dated August 1, 1950, from Mr. Sherman, Assistant Secretary of the Board, recommending that the temporary appointments of Miss Alice C. Godard, clerk-stenographer, and Mrs. Ella D. Whitaker, file clerk, in the Office of the Secretary, be extended on a permanent basis, effective August 2, 1950, with no change in their present basic salaries.

Approved unanimously.

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

"Several months ago the Board requested its staff to formulate a statement of policy with regard to the providing of technical assistance in foreign areas. A number of drafts were prepared in collaboration with the staff of the Federal Reserve Bank of New York, and..."
"comments were then solicited from the Presidents of all the Federal Reserve Banks. As a result of this study a statement of procedure and criteria has been approved by the Board which will serve as a guide to the staff in reviewing, and making recommendations to the Board with respect to, requests for assistance in the international field, and will assist the Board in discharging its responsibilities under the Federal Reserve Act and related legislation. A copy of that statement is enclosed herewith for your information.

"In that connection it is noted that the Federal Reserve Banks have been receiving recently an increasing number of requests from Government departments, agencies, and committees seeking to borrow the services of staff members for temporary periods in connection with special studies, investigations, and similar projects, both in the international and in the domestic field. It is believed desirable in the interest of maintaining a consistent policy that the Board be advised of such requests in order that it may have an opportunity to comment before any definite commitments are made. Our letter of June 15, 1949 (S-1113, FRLS #9065), contained a request that the Board be so informed, but in view of the fact that this letter referred primarily to loans of personnel in the international field, the Board wishes to recall to your attention the last two paragraphs thereof, reading as follows, in order to avoid any possible misunderstanding:

'In view of the membership of the Chairman of the Board on the National Advisory Council and because of the Board's general responsibility for the coordination of the System's activities in the international field, it would be appreciated if future requests for the services of personnel, whether compliance with the request entails leave of absence or not, be brought to the Board's attention before final action is taken.

'Similarly, other Government departments or agencies have occasionally requested, for a temporary period, the services of a member of the staff of a Federal Reserve Bank other than in the international field; and in these cases also the Board would like to be advised.'
"It is recognized that the urgency of the request often necessitates a prompt decision on the part of the Reserve Bank, and the Board, upon being advised that any such matter is under consideration, will be prepared to notify your Bank without delay whether it is aware of any reason which would cause it to interpose an objection."

Approved unanimously.

Memorandum dated July 25, 1950, from Mr. Thurston, Assistant to the Board, stating that the Annual Report to the Congress covering the calendar year 1949 was ready for approval and would be sent to the printer for final printing should members of the Board so indicate.

Approved unanimously, with the understanding that copies would be sent to the Speaker of the House of Representatives and the President of the Senate as soon as it was printed.