

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, August 25, 1950.

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

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

Telegrams to the Federal Reserve Banks of New York and Minneapolis stating that the Board approves the establishment without change by those Banks on August 24, 1950, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to Mr. Robert P. Briggs, Vice President, University of Michigan, Ann Arbor, Michigan, reading as follows:

"Enclosed is a copy of the contract submitted in the form of your letter of August 9, 1950, with respect to the terms and conditions under which the University of Michigan agrees to conduct for the Board of Governors of the Federal Reserve System the sixth annual survey of consumer finances. This has been executed on behalf of the Board indicating its approval and acceptance of the terms and conditions stated."

Approved unanimously.

Letter to Honorable Frederick J. Lawton, Director, Bureau of the Budget, Washington, D. C., reading as follows:

"There is enclosed a copy of a draft of a letter which the Board proposes to send to the Chairman of the Committee on Ways and Means of the House of Representatives, recommending an amendment to the bill H.R. 9246, 'To provide for the renegotiation of contracts, and for other purposes'.

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"The purpose of the proposed amendment is to make it clear that, where financing institutions take assignments of claims under Government contracts as security for loans to contractors engaged in defense production, payments made to the financing institutions as assignees will not be subject to reduction or recovery in cases in which it is determined that the contract reflects excessive profits under the provisions of this bill or under price revision clauses which may be included in such contracts.

"The Board will appreciate advice as to whether the Bureau of the Budget, after consultation with other interested agencies, sees any objection to the submission of this report."

Approved unanimously.

Memorandum dated August 22, 1950, from Mr. Noyes, Assistant Director of the Division of Research and Statistics, recommending that Duncan Holthausen, a former employee of the Board's Division of Research and Statistics, be employed as a consultant for a period of approximately 30 days to assist in the revision of consumer credit statistics and particularly in the utilization of the data available as a result of the registration of lenders should the Board be given authority to administer a regulation over consumer credit, that he be paid \$40 for each day of service for the Board, and that he be allowed transportation between his home in Palisades, New Jersey and Washington, D. C., or such other points as may be deemed necessary, and a per diem in lieu of subsistence at the rate of \$9 for each day away from his home. While in travel status Mr. Holthausen would be subject to the provisions of the Board's travel regulations

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applicable to members of its staff other than heads or assistant heads of divisions.

Approved unanimously.

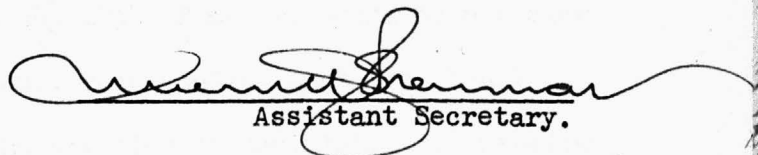
Memorandum dated August 24, 1950, from Mr. Sherman, Assistant Secretary of the Board, recommending that the Board authorize payment of the costs of a luncheon in connection with the swearing-in of Messrs. Norton and Powell as members of the Board on September 1, 1950, and that the appropriate item in the budget of the Division of Administrative Services be increased by an amount sufficient to cover the costs.

Approved unanimously.

Memorandum dated August 25, 1950, from Mr. Bethea, Director of the Division of Administrative Services, recommending the following increases in the 1950 budget:

	Board Members' Offices	Division of Administrative Services
Postage and Expressage	\$ -	\$ 4,700
Telephone and Telegraph	600	5,500
Printing and Binding	2,000	-
Stationery and Supplies	-	500

Approved unanimously.


Assistant Secretary.