

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, September 27, 1950.

PRESENT: Mr. McCabe, Chairman
 Mr. Szymczak
 Mr. Evans
 Mr. Vardaman
 Mr. Norton
 Mr. Powell

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 September 26, 1950, were approved unanimously.

Memoranda dated September 21, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending increases in the basic annual salaries of the following employees in that Division, effective October 1, 1950:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Miss A. Jane Moore	Economist	\$3,950	\$4,200
Miss Mona E. Dingle	Economist	4,600	4,850

Approved unanimously.

Memorandum dated September 25, 1950, from Mr. Marget, Director of the Division of International Finance, recommending that the temporary indefinite appointment of Miss Marian E. Gochenour, a clerk in that Division, be extended on a permanent basis, effective September 27, 1950, with no change in her present basic salary at the rate of \$2,450 per annum.

9/27/50

-2-

Approved unanimously.

Memorandum dated September 21, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending the appointment of Peter M. Cody as an economist in that Division on a temporary basis for a period not to exceed two years, and not to exceed the time required to complete the special project to which assigned, with basic salary at the rate of \$4,600 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.

Letter to Mr. DeMoss, Vice President of the Federal Reserve Bank of Dallas, reading as follows:

"In accordance with the request contained in your letter of August 25, 1950, the Board approves the appointment of William Craven Allen as an assistant examiner for the Federal Reserve Bank of Dallas. Please advise us of the date upon which the appointment becomes effective and also as to the salary rate.

"It has been noted that Mr. Allen owns 219 shares of stock of Republic National Bank of Dallas which shares were acquired through inheritance. Although his holding of stock of a member bank does not conform to the policy of the Board as stated in the last paragraph of letter S-1018 of March 24, 1948 (F.R.L.S. #9054), it has been noted that your Executive Committee specifically considered this matter and felt that an exception might properly be made in this case in view of the circumstances. Furthermore, your letter of August 31 stated that Mr. Allen had decided to place the

9/27/50

-3-

"stock in trust for his two children, that the drafting of the instrument itself was in the hands of his attorney, and that your counsel was of the opinion that a revocable trust instrument could be drawn which would divest Mr. Allen of the legal and beneficial ownership of this stock during the existence of the trust.

"Accordingly, the Board's approval of the appointment has been given with the understanding (1) that the instrument creating the trust shall be satisfactory to your counsel as to its legal form and (2) that this matter will be reviewed by the Board's examiners, at the time of each examination of the Reserve Bank, in order to ascertain whether there has been any development in the matter which would suggest the desirability of a reconsideration of the case."

Approved unanimously.

Letter to Federal Deposit Insurance Corporation, Washington 25, D. C., reading as follows:

"Pursuant to the provisions of section 4(b) of the Federal Deposit Insurance Act, the Board of Governors of the Federal Reserve System hereby certifies that the 'Bank of Laguna Beach', Laguna Beach, California, became a member of the Federal Reserve System on September 23, 1950, and is now a member of the System. The Board of Governors of the Federal Reserve System further hereby certifies that, in connection with the admission of such bank to membership in the Federal Reserve System, consideration was given to the following factors enumerated in section 6 of the Federal Deposit Insurance Act:

1. The financial history and condition of the bank,
2. The adequacy of its capital structure,
3. Its future earnings prospects,
4. The general character of its management,
5. The convenience and needs of the community to be served by the bank, and
6. Whether or not its corporate powers are consistent with the purposes of the

9/27/50

-4-

"Federal Deposit Insurance Act."

Approved unanimously.


A. Carpenter
Secretary.