

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, November 22, 1950.

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

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

Minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on November 21, 1950, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on November 21, 1950, were approved unanimously.

Memorandum dated November 17, 1950, from Mr. Leonard, Director of the Division of Bank Operations, recommending that Mrs. Nancy Ware, a clerk-typist in the Division of Research and Statistics, be transferred to the Division of Bank Operations as a clerk-typist, with no change in her present basic salary of \$2,610 per annum, effective November 26, 1950. The memorandum also stated that the Division of Research and Statistics is agreeable to this transfer.

Approved unanimously.

Memorandum dated November 20, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending an increase in the basic salary of Vendel O. Jeffries, a messenger in that Division, from \$2,252 to \$2,412 per annum, effective November 26, 1950.

Approved unanimously.

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Memorandum dated November 13, 1950, from Mr. Marget, Director of the Division of International Finance, recommending an increase in the basic salary of Gerald Alter, an economist in that Division, from \$6,600 to \$7,600 per annum, effective November 26, 1950.

Approved unanimously.

Letter to Mr. Peyton, President of the Federal Reserve Bank of Minneapolis, reading as follows:

"Reference is made to your letter of November 10, 1950, advising that the directors have voted, subject to the approval of the Board of Governors, to authorize the Discount Committee to pay \$8,558 into the Retirement System on behalf of Mr. R. E. Towle.

"Because of the special circumstances in this case, the Board of Governors will not object to the supplemental payment."

Approved unanimously.

Letter to Mr. Boyd, Chief Examiner of the Federal Reserve Bank of Cleveland, reading as follows:

"Referring to your letter and recommendation of November 16, 1950, the Board of Governors extends until January 9, 1951, the time within which the 'Peoples City Bank', McKeesport, Pennsylvania, may establish the branch in East McKeesport, Pennsylvania, as approved by the Board under date of June 9, 1950."

Approved unanimously.

Letter to Escrow & Loan Service Co., Incorporated, 44 West Main Street, Post Office Box 591, Alhambra, California, reading as follows:

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"This refers to Mr. Allen's letter of November 8, 1950, addressed to the Federal Reserve Bank of San Francisco, requesting a determination as to the status of your company as a holding company affiliate.

"On the basis of available information, the Board understands that your company is engaged in the escrow and loan service business; that it owns a majority of the outstanding shares of stock of Valley National Bank of Alhambra, Alhambra, California; that it does not, directly or indirectly, own or control any stock of, or manage or control, any banking institution other than the Valley National Bank of Alhambra; and that it is not itself managed or controlled by any bank holding company or other organization.

"In view of these facts, the Board has determined that your company is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of section 2(c) of the Banking Act of 1933, as amended; and, accordingly, your company is not a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act.

"If, however, your company should at any time own or control a substantial portion of the stock of, or manage or control, more than one banking institution or there should be any other change in the facts which would indicate that your company might be engaged in the business of holding the stock of, or managing or controlling, banks, this matter should again be submitted to the Board for its determination. The Board reserves the right to make a further determination at any time on the basis of the then existing facts."

Approved unanimously for
transmittal through the Federal
Reserve Bank of San Francisco.

Los Angeles 15, California, reading as follows:

Telegram to Kelley Blue Book, 1221 South Figueroa Street,

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"Confirming our telephone conversation of Nov. 20, if your publication specifies an amount that may be added for cars with overdrive or automatic transmission as extra equipment, there is no objection to the inclusion of such amount in determining maximum credit values for purposes of Regulation W. This does not mean that the Board approves any given amount for such extra equipment."

Approved unanimously.

Letter to Mr. Morton Bodfish, Chairman of the Executive Committee, United States Savings and Loan League, 221 No. LaSalle Street, Chicago 1, Illinois, reading as follows:

"Your association is invited by Raymond M. Foley, Administrator, Housing and Home Finance Agency, and Thomas B. McCabe, Chairman of the Board of Governors of the Federal Reserve System, to send a representation to a meeting to be held December 4, 1950, at 2:00 p.m. at the Federal Reserve Building in Washington, to discuss proposed additions to Regulation X, Residential Real Estate Credit, to include multiple-family residences.

"Other associations interested in mortgage finance will be represented at the meeting, the chairman of which will be Mr. Charles T. Fisher, Jr., Administrator. For the purpose of keeping the meeting small enough to encourage free discussion, it has been suggested that each association limit its representation to about two persons.

"A draft of the new Regulation is being prepared, and when it is completed, a copy will be sent to you for your consideration.

"We will greatly appreciate your arranging for the representation of your association at this meeting, and request that you will as soon as possible send us the names of your representatives."

Approved unanimously.

Secretary.