

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

PRESENT: Mr. McCabe, Chairman
Mr. Szymczak
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 December 5, 1950, were approved unanimously.

Memorandum dated December 5, 1950, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of Miss Noreen Regina Hanlon as a page in that Division, with basic salary at the rate of \$2,200 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination and subject to a satisfactory investigation of Miss Hanlon's references.

Approved unanimously.

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

"This will acknowledge your letter of December 1, 1950, advising that an additional one-month leave of absence has been granted to Mr. Philip J. W. Glaessner, economist in the Research Department, in order that he may complete his work in connection with the study and report upon the economic condition in Cuba which is being sponsored by the International Bank for Reconstruction and Development. It is noted that this extension of Mr. Glaessner's assignment has been discussed by representatives of your Bank and the Board at the staff level.

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"The matter has been brought to the attention of the Board and noted without objection."

Approved unanimously.

Letter to Mr. Lunding, Federal Reserve Agent of the Federal Reserve Bank of Chicago, reading as follows:

"In accordance with the request contained in Mr. Meyer's letter of December 1, 1950, the Board of Governors approves, effective December 4, 1950, the payment of salaries to the following members of the Federal Reserve Agent's staff at the rates indicated:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
August J. Pettke	Federal Reserve Agent's Representative	\$5,850
Everett D. Jones	Federal Reserve Agent's Representative	5,400"

Approved unanimously.

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

"Reference is made to Mr. Wayne's letter of November 24, 1950, submitting the request of the Peoples Savings Bank & Trust Company, Wilmington, North Carolina, for approval under Section 24A of the Federal Reserve Act of an additional investment of approximately \$65,000, for the proposed purchase of real estate adjoining its banking house for use as a parking lot and for the installation of drive-in teller's windows.

"In view of your recommendation, the Board approves the additional investment in bank premises as proposed."

Approved unanimously.

Letter to Mr. H. P. Heiliger, 1303 No. 42nd Street, Lincoln, Nebraska, reading as follows:

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"Reference is made to your letter of November 29, 1950, regarding service on the Board of Directors of the Omaha Branch of the Federal Reserve Bank of Kansas City.

"The Board of Directors of the Omaha Branch consists of five members, three of whom are appointed by the Board of Directors of the Federal Reserve Bank of Kansas City, and two by the Board of Governors of the Federal Reserve System. These directors serve for terms of two years and may be reappointed if they have not served for six years immediately preceding their reappointment.

"It is expected that the present directors of the Branch appointed by the Board of Governors will continue to serve for some time, and, therefore, we will not be looking for replacements in the near future. However, we will be glad to keep your letter on file for consideration when a vacancy on the Board occurs which is to be filled by appointment by the Board of Governors."

Approved unanimously.

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

"As you know, the provisions of section 708 of the Defense Production Act of 1950, together with Executive Order 10161 of September 9, 1950, authorize the Board to consult with representatives of financing institutions with a view to encouraging the making of voluntary agreements and programs to further the objectives of the Act. Actions taken under such agreements, pursuant to requests made by the Board and approved by the Attorney General, are exempt from the prohibitions of the antitrust laws.

"For your information in this connection, we now enclose a copy of a letter sent to Chairman McCabe by the Deputy Attorney General under date of October 19, 1950, and a copy of a letter to Chairman McCabe from the Attorney General dated December 1, 1950. We feel that the later letter clarifies the situation with regard to the

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"arranging of meetings with banks, insurance companies, or other financing institutions in an endeavor to work out voluntary agreements with respect to credit that is not essential in the defense effort. Plans have been made for a preliminary meeting for this purpose to be held in New York at an early date."

Approved unanimously.

Letter to Honorable Harry F. Byrd, Chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, United States Senate, Washington 25, D. C., reading as follows:

"In accordance with the request contained in your letter of November 8, 1950, addressed to Chairman McCabe, we are returning the attached questionnaire, together with photostatic copies of forms 82 and 82A for the fiscal year ending June 30, 1950.

"Although we have answered the questionnaire completely, the answers concern only automobiles used in the greater Washington area since the Board does not own or operate automobiles based outside the city.

"We trust that this information will be of assistance to you and to your committee in your study of this matter."

Approved unanimously.

Memorandum dated November 24, 1950, from the Division of Personnel Administration, recommending that effective as of the date of approval by the Board, John C. Baumann be relieved as a member of the Loyalty Board, and C. Richard Youngdahl be designated Chairman of the Loyalty Board, John E. Horbett be appointed a member

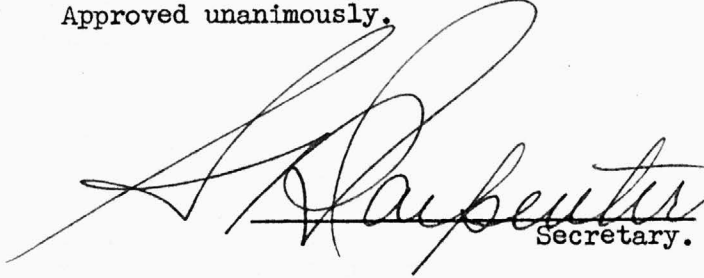
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and designated as Vice Chairman of the Loyalty Board, and Albert
R. Koch be appointed an alternate member of the Loyalty Board.

Approved unanimously.


Secretary.