

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, September 12, 1951.

PRESENT: Mr. Martin, Chairman
Mr. Szymczak
Mr. Evans

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary

Memorandum dated September 11, 1951, from Mr. Bethea, Director, Division of Administrative Services, recommending that the resignation of Miss Edwina Y. Myers, Stenographer in that Division, be accepted to be effective, in accordance with her request, at the close of business September 14, 1951.

Approved unanimously.

Memorandum dated September 11, 1951, from Mr. Bethea, Director, Division of Administrative Services, recommending that the resignation of Mrs. Elizabeth M. Beer, nee Elizabeth J. McGuire, be accepted to be effective, in accordance with her request, September 15, 1951, the date of expiration of her leave without pay.

Approved unanimously.

Memorandum dated September 11, 1951, from Mr. Bethea, Director, Division of Administrative Services, recommending that the resignation of Mrs. Jeanette L. Brown, Stenographer in that Division, be accepted to be effective, in accordance with her request, at the close of business September 28, 1951.

Approved unanimously.

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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 September 7, 1951, the Board of Governors approves the payment of salary to Mr. Clarence W. Kolz, Alternate Assistant Federal Reserve Agent, effective September 10, 1951, at the rate of \$5,940.00 per annum."

Approved unanimously.

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

"It is anticipated that the subcommittee on general credit control and debt management of the Joint Committee on the Economic Report, of which Representative Patman is Chairman, will submit a questionnaire to the Board in connection with the Subcommittee's study, and that two questions will be substantially as follows:

- 1(a). List and discuss any expenses which have been incurred since 1946 by the Board of Governors, or, to the Board's knowledge, have been incurred by the Federal Reserve Banks for the purpose of influencing public opinion on controversial matters. Expenses for the preparation of material in standard expository format and for the distribution of such material to persons who might be expected to have a regular business or professional interest in it may be omitted. (b). Any expenses during the above period for the preparation of motion pictures, illustrated brochures, or any other special material should be included, however, irrespective of your personal opinion as to whether or not the material they contain is controversial in character, in order that the Subcommittee may, if it desires, consider them on a case-by-case basis.
2. Are the expenses and other accounts of the Board of Governors or of the Federal Reserve Banks subject to any budgetary or audit control of any agency of either Congress or the Executive Branch of the U. S.

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"Government? If not, do you believe that they should be? Why, or why not? Describe budgetary and auditing procedures now in effect.

"With respect to 1(a), it will be appreciated if you will forward to the Board, to reach it not later than September 25, information that will enable the Board to answer the question so far as your Bank is concerned and, if any such expenses have been incurred, furnish itemization and full explanation.

"In order that information regarding 1(b) may be assembled on a uniform basis, please furnish following information for each year, 1946-1950 inclusive, and January 1 to June 30, 1951, for all bank and public relations, research, and other material distributed by your Bank including all publications, booklets, radio scripts, press releases, etc., except as indicated below: (1) Title and description of item; (2) Frequency of distribution; (3) Average number of pages; (4) Average number of copies each issue; (5) Estimated compilation costs exclusive of printing or duplicating; (6) Estimated printing or duplicating costs; (7) Estimated postage and other distribution costs; and (8) Brief statement as to distribution. Following material may be omitted: Board's regulations and amendments, operating circulars, announcements, Regulation V, W, and X material, periodic statistical statements showing condition of Federal Reserve and member banks, bank debits, operating ratios, etc., and Fiscal Agency matter. Other material, however, should be submitted on inclusive rather than exclusive basis and should include monthly reviews, agricultural or other news letters, employee magazines (house organ), annual reports, etc. Please furnish two copies of all material keyed by symbol to (1) above except that where publication is regularly issued or has been issued in more than one year during period covered only one representative sample need be submitted. Please furnish approximately same information requested in (1)-(8) as to motion pictures, if any, including number and cost of prints furnished your Bank.

"To assist in preparing an answer to the other anticipated question (No. 2), please include in your reply advice as to whether you believe expenses and other accounts of Board of Governors or of Federal Reserve Banks should be subject to any budgetary or audit control of any agency of Congress or of the Executive Branch and

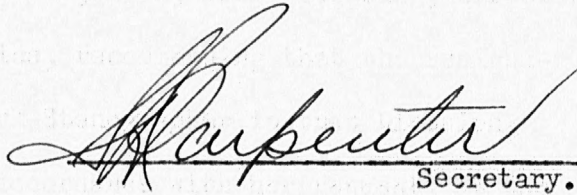
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"why or why not."

Approved unanimously.

Memorandum dated September 11, 1951, from Mr. Hooff, Assistant Counsel, recommending that, in addition to the material previously submitted for publication in the Law Department of the September issue of the Federal Reserve Bulletin, there be included the Board's statement concerning the provisions of the Defense Production Act amendments and of Regulation W, which permit trade-ins to be counted for all or part of the minimum down payment required under the regulation.

Approved unanimously.


Secretary.