

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, October 3, 1951.

PRESENT: Mr. Martin, Chairman  
Mr. Szymczak  
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 27, 1951, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on September 28, October 1, and 2, 1951, were approved and the actions recorded therein were ratified unanimously.

Memorandum dated October 2, 1951, from Mr. Marget, Director, Division of International Finance, recommending that the resignation of Mr. Harry A. Gillis, Jr., Economist in that Division, be accepted to be effective, in accordance with his request, at the close of business October 14, 1951.

Approved unanimously.

Memorandum dated October 2, 1951, from Mr. Marget, Director, Division of International Finance, recommending that the resignation of Miss Anita C. Perez, Clerk-Stenographer in that Division, be accepted to be effective, in accordance with her request, at the close of business October 14, 1951.

Approved unanimously.

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Memorandum dated September 21, 1951, from Mr. Marget, Director, Division of International Finance, recommending the appointment of Mr. Reed John Irvine as an Economist in that Division, on a temporary indefinite basis, with basic salary at the rate of \$4,200 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination and subject to the completion of a satisfactory employment investigation.

Approved unanimously.

Memorandum dated September 28, 1951, from Mr. Young, Director, Division of Research and Statistics, recommending an increase in the basic salary of Miss Marian E. Fadeley, Clerk in that Division, from \$2,610 to \$2,730 per annum, effective October 14, 1951.

Approved unanimously.

Letter to Mr. Neely, Chairman and Federal Reserve Agent of the Federal Reserve Bank of Atlanta, reading as follows:

"In accordance with the request contained in your letter of September 27, 1951, the Board of Governors approves the payment of salary to the following named employees of the Federal Reserve Bank of Atlanta, effective October 1, 1951:

<u>Name</u>	<u>Salary</u>
<u>Atlanta Office</u>	
Genevieve M. Barnett	\$ 4,800.00
O. W. Hammond	4,300.00
<u>New Orleans Branch</u>	
Nicholas Bandi	3,780.00
<u>Nashville Branch</u>	
Stuart H. Magee	4,800.00

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<u>"Name</u>	<u>Salary</u>
<u>Birmingham Branch</u>	
George W. Mason	\$ 4,940.00
Hugh Moreland, Jr.	5,004.00"

Approved unanimously.

Letter to Mr. Mangels, First Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"This will acknowledge receipt of your letter of September 27, 1951 requesting that the Board approve the appointment of Franklyn Clerk, as an examiner for the Federal Reserve Bank of San Francisco.

"It is noted that Mr. Clerk is obligated on a G. I. loan on his home in the amount of \$8,400, which loan is held by the Seminary Branch of the Bank of America, N. T. & S. A., Oakland, California. You also advise that he is presently considering the sale of the property and the purchase of a new home, and if such arrangements are not made, he will place the present indebtedness with a non-bank lending institution.

"The Board approves the appointment of Franklyn Clerk as an examiner for the Federal Reserve Bank of San Francisco with the understanding that he will not be authorized to participate in any examinations of the Bank of America, N. T. & S. A., or its affiliates, until his indebtedness to the Bank has been liquidated or otherwise eliminated."

Approved unanimously.

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

"Adoption of the recent amendments to Regulations W and X made necessary by the changes in the Board's authority under the Defense Production Act has raised a number of difficult administrative problems and related questions with respect to the enforcement program. As you have undoubtedly been informed by the representatives of your Bank who attended the recent System-wide conference on these regulations, much of the discussion centered on the



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"policy aspects of these problems. From the point of view of the Board and its staff, this conference has helped materially to bring about a better understanding among all who participated concerning the potential role and effectiveness of the regulations in their present form.

"As indicated in the Board's telegram of August 10, 1951, the question was raised at the conference about the desirability of having subsequently a series of conferences at which members of the Regulation W and X staffs of the Reserve Banks could be brought together in smaller groups to discuss administrative techniques and procedures applicable to the new provisions and to exchange investigative experiences. Such discussion would have as their objective a greater degree of uniformity throughout the System in the administration of these regulations. The consensus of the recent System Conference seemed to be that such inter-bank conferences of staff personnel would yield constructive results, especially if they could be held late in the Fall. By that time, the Reserve Banks would have a backlog of field experience with the new provisions of the regulation.

"In the past, conferences of this type have been designated as 'regional' conferences which tended to imply a geographic relationship among the Banks represented at a particular meeting. Objection has been raised by some of the Banks to this arrangement on the grounds that Banks which are located near one another generally have close working relationships and are most familiar with their respective problems and procedures. The nationwide operation of many Registrants had seemed to some a justification for bringing together the staffs of Banks somewhat more distant. It is obvious, of course, that this increases somewhat the traveling costs involved in such an arrangement of Banks. The line-up of Banks proposed for the canceled June meetings was a compromise of these views. Two of the Banks in each group had contiguous borders, and the third was a more distant Bank.

"The question has also been raised whether it is desirable to have separate conferences for Regulations W and X. While in some Banks the same personnel are working on both regulations, this is not true of all Banks. The view has been expressed that a joint conference tends to deplete a Bank's staff to a greater extent than would be the case

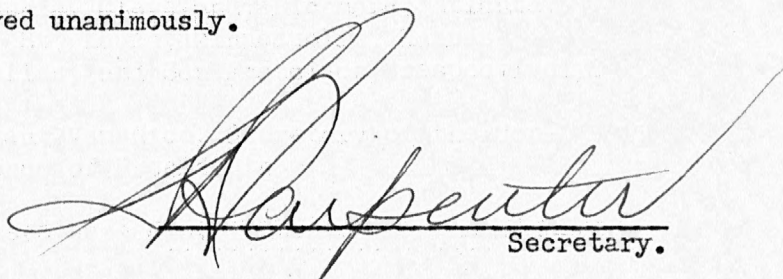
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"if separate conferences were held. On the other hand, there is no doubt that some additional expense might be involved if separate sessions were to be held. Some participants would have to do 'double duty' to attend both X and W meetings.

"In the light of the discussions at the Presidents' Conference in May, before proceeding with plans for Regulations W and X conferences the Board is desirous of obtaining your views on the specific question of holding such conferences and, if they are to be held, your preference among the alternatives mentioned above. It would be greatly appreciated if the views of your Bank were available within the next week or 10 days. If there is general agreement that such conferences should be held, it is contemplated that the first two would be scheduled early in November and that the remaining two would be scheduled approximately two weeks later."

Approved unanimously.



Secretary.