

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

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

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

Telegrams to the Federal Reserve Banks of Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of St. Louis on October 8 and 11, by the Federal Reserve Bank of San Francisco on October 9, and by the Federal Reserve Banks of Cleveland, Richmond, Chicago, Minneapolis, and Dallas on October 11, 1951, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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

"Reurtel October 11. Board approves effective October 15, 1951, on purchases of Government securities under resale agreement minimum rate of not more than 1/8 per cent below average issuing rate on most recent issue of three-month Treasury bills, as authorized by Federal Open Market Committee October 4, 1951. Otherwise, Board approves establishment without change by Federal Reserve Bank of New York on October 11 of rates of discount and purchase in existing schedule. It is noted that effective rate will ordinarily be not less than 1/8 per cent above average issuing rate."

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Approved unanimously, together with the following telegram to the Presidents of all Federal Reserve Banks, except the Federal Reserve Bank of New York:

"Board of Governors has approved effective October 15, 1951, for the Federal Reserve Bank of New York minimum rate on purchases of Government securities under resale agreement of not more than 1/8 per cent below average issuing rate on most recent issue of three-month Treasury bills, as authorized by Federal Open Market Committee October 4, 1951."

Memorandum dated October 10, 1951, from Mr. Bethea, Director, Division of Administrative Services, recommending that the resignation of Miss Martha J. Harris, Stenographer in that Division, be accepted to be effective, in accordance with her request, at the close of business October 12, 1951.

Approved unanimously.

Memoranda from Mr. Young, Director, Division of Research and Statistics, recommending increases in the basic annual salaries of the following employees in that Division, effective October 14, 1951:

<u>Date of Memorandum and Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
10/3/51 Paul S. Anderson	Economist	\$4,850	\$5,400
10/9/51 Robert R. Moss	Economist	5,100	5,225
Gretchen Geigenmueller	Clerk-Stenographer	2,810	2,890

Approved unanimously.

Memoranda from Mr. Sherman, Assistant Secretary of the Board, recommending increases in the basic annual salaries of the following

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employees in the Office of the Secretary, effective October 14, 1951:

<u>Date of Memorandum and Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
10/9/51 Mrs. Portia R. Agadjanian	File Clerk	\$2,970	\$3,050
Mary L. McIntosh	File Clerk	2,810	2,890
M. Patricia McShane	File Clerk	2,810	2,890
10/10/51 Mrs. Jeanne Krieger Semia	General Assistant	4,575	4,725
10/12/51 Miss Elizabeth E. Van Wagner	File Clerk	2,610	2,730

Approved unanimously.

Memorandum dated October 12, 1951, from Mr. Vest, General Counsel, recommending an increase in the basic salary of Miss Eleanor Omohundro, Clerk-Stenographer in the Legal Division, from \$3,115 to \$3,225 per annum, effective October 14, 1951.

Approved unanimously.

Memorandum dated October 12, 1951, from Mr. Sherman, Assistant Secretary of the Board, recommending increases in the basic annual salaries of the following employees in the Office of the Secretary, effective October 14, 1951:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Mrs. Ruth W. Franta	Records Clerk	\$3,050	\$3,195
Miss Kathleen J. O'Connor	Records Clerk	3,050	3,195

Approved unanimously.

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

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"In accordance with the request contained in your letter of October 8, 1951, the Board approves the appointment of Mr. J. Lloyd Adams, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Atlanta."

Approved unanimously.

Letter to the Woodbridge National Bank, Woodbridge, New Jersey, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of New Jersey, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously, for
transmittal through the Federal
Reserve Bank of New York.

Letter to The First National Bank of Kenosha, Kenosha, Wisconsin, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds,

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"guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Wisconsin, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously, for
transmittal through the Federal
Reserve Bank of Chicago.

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

"This refers to your letter of October 2, 1951, submitting, with your favorable recommendation, the request of the Jeff Davis Bank and Trust Company, Jennings, Louisiana, for permission to act as joint trustee with The Calcasieu-Marine National Bank of Lake Charles, Lake Charles, Louisiana, under an indenture securing an issue of first mortgage 5% bonds of Southwest Louisiana Community Hotel Corporation in the amount of \$225,000.

"It is noted that the duties of the bank in connection with this trusteeship will involve authentication of the bonds to be issued under the indenture of mortgage and the performance of other ministerial duties commonly involved in trusteeships of this kind and that the accompanying responsibilities will be limited in nature. It is further observed that it is not the desire of the bank to exercise general trust powers and that the authority requested is solely to permit the bank to act in the specific instance.

"In the circumstances, the Board will interpose no objection to the Jeff Davis Bank and Trust Company acting as joint trustee in the matter above described with the

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"understanding that it will not acquire any other fiduciary business without first obtaining the permission of the Board. Please advise the bank accordingly."

Approved unanimously.

Letter for the signature of the Chairman to the Honorable Burnet R. Maybank, Chairman, Joint Committee on Defense Production, United States Senate, Washington, D. C., reading as follows:

"In response to your letter of September 28, 1951, there is attached, for inclusion in the proposed report of the Joint Committee on Defense Production being prepared pursuant to Section 712(b) of the Defense Production Act, information relating to the operations carried out by the Board under authority of that Act from October 1950 to October 1951.

"We trust that this will provide the data desired, and we will be glad to furnish any supplementary information required upon request."

Approved unanimously.

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

"There have been forwarded to you today under separate cover the indicated number of copies of the following forms, a copy of each of which is attached, for use of State member banks and their affiliates in submitting reports as of the next call date:

Number of
copies

Form F. R. 105 (Call No. 121), Report of condition of State member banks.

Form F. R. 105b (Revised August 1939), Loans and advances to affiliates and investments in and loans secured by obligations of affiliates.

Form F. R. 105e (Revised May 1948), Publisher's copy of report of condition of State member banks.

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"Form F. R. 105e-1 (Revised May 1948),
Publisher's copy of report of condition
of State member banks.

Form F. R. 220 (Revised August 1946), Report
of affiliate or holding company affiliate.

Form F. R. 220a (Revised August 1946), Pub-
lisher's copy of report of affiliate or
holding company affiliate.

Form F. R. 220b (Revised August 1946), In-
structions for the preparation of reports
of affiliates and holding company affiliates.

"All of the forms are the same as those used on June 30, 1951, including the loan and security Schedules A and B in form F. R. 105. For your information, we understand that the Comptroller of the Currency will include the memorandum item regarding guaranteed loans in Schedule A until further notice, but the Board and the Federal Deposit Insurance Corporation do not contemplate including the item in their forms.

"Heretofore, it has been the Board's practice at spring or fall calls to forward the report forms to the Reserve Banks a few weeks in advance of the anticipated announcement of a call for reports. This practice allowed the Reserve Banks ample time to prepare their letters of transmittal to the State members describing the changes in the forms or instructions, and to make any arrangements necessary with State banking authorities for single, joint publication of reports submitted by State member banks to the State authorities and the Reserve Banks, respectively.

"The Comptroller's office has indicated a good deal of concern regarding secrecy both as to calls and call dates. Therefore, it is now contemplated that the forms for spring and fall calls and the telegraphic advice regarding the distribution of the forms to the State member banks will, so far as practicable, reach the Federal Reserve Banks on the same day. The procedures regarding these calls are set forth in detail in the attached memorandum. The new procedure may result in some additional differences in dates of calls issued by State and Federal authorities and, therefore, in duplication of publication of reports of State member banks in such States. It is hoped, however, that these differences and duplications will be kept at a minimum.

"Inquiries have been made about the reporting of the new series of bonds of local public housing agencies issued under the United States Housing Act and secured by the pledge

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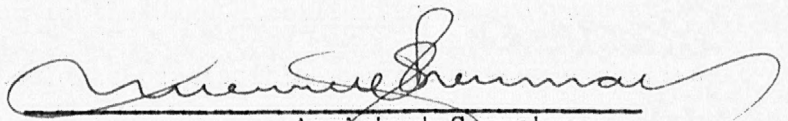
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"of annual contributions by the Public Housing Administration. These bonds should be included in 'Obligations of States and political subdivisions', asset item 3 of call reports. It is understood that this is also the position of the Comptroller's office and the Federal Deposit Insurance Corporation."

Approved unanimously.

Memorandum dated October 3, 1951, from Mr. Allen, Director, Division of Personnel Administration, recommending for the reasons stated therein that the expense of physical examinations of prospective Federal Reserve Bank employees, when made by the Board's doctor at the request of a Federal Reserve Bank, be paid for out of Board funds and that the appropriate budget account of the Division of Personnel Administration be charged for this expense.

Approved unanimously.


Assistant Secretary.