

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, October 18, 1951.

PRESENT: Mr. Szymczak, Chairman pro tem.  
Mr. Powell

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

Memorandum dated October 17, 1951, from Mr. Bethea, Director, Division of Administrative Services, recommending the appointment of Mrs. Mary J. A. Smith as a Stenographer in that Division, on a temporary indefinite basis, with basic salary at the rate of \$2,650 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 the completion of a satisfactory employment investigation.

Approved unanimously.

Memorandum dated October 17, 1951, from Mr. Bethea, Director, Division of Administrative Services, recommending the appointment of Mrs. Pauline A. Melton as a Stenographer in that Division, on a temporary indefinite basis, with basic salary at the rate of \$3,115 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 the completion of a satisfactory employment investigation.

Approved unanimously.

10/18/51

-2-

Memorandum dated October 16, 1951, from Mr. Bethea, Director, Division of Administrative Services, recommending that the temporary appointment of Miss Thelma M. Long, Elevator Operator in that Division, be extended on a temporary indefinite basis, effective October 30, 1951, with no change in her present basic salary at the rate of \$2,120 per annum.

Approved unanimously.

Memorandum dated October 12, 1951, from Mr. Bethea, Director, Division of Administrative Services, recommending that Miss Dorothy L. Saunders, a Stenographer in Mr. Eccles' office, be transferred to the Division of Administrative Services as a Stenographer, with an increase in her basic salary from \$3,050 to \$3,195 per annum, effective October 28, 1951.

Approved unanimously.

Memorandum dated October 18, 1951, from Mr. Sherman, Assistant Secretary of the Board, recommending that the resignations of Misses Mary Louise McIntosh and Elizabeth E. Van Wagner, File Clerks in that Division, be accepted to be effective, in accordance with their request, at the close of business October 31, 1951 and November 16, 1951, respectively.

Approved unanimously.

10/18/51

-3-

Letter to Mrs. Mildred Louise Luster, 214 North Wayne Street,  
Arlington, Virginia, reading as follows:

"The Board of Governors of the Federal Reserve System has considered your application to operate the beauty shop in its building and hereby agrees to permit you to do so under the following conditions:

The beauty shop is to be operated primarily for the convenience of employees of the Board of Governors of the Federal Reserve System and not for the general public. Prices to be charged for services shall be mutually agreed upon between you and the Board's representative.

The Board will furnish the permanent equipment such as facial and shampoo chairs, mirrors, cabinets, wash bowls, vanities, hair dryers, side chairs, clothes hooks, and other such equipment as may in its judgment be required. All other necessary items, such as tools, linen, and soaps, will be furnished by you. You will be permitted to furnish and use your own permanent wave machine and any other electrical or mechanical equipment after obtaining the written approval of the Board's representative, and said machine and all equipment furnished by you will remain your property.

Eight per cent of the gross receipts from operations will be paid by you to the Board as a rental fee. You will make an accounting of receipts and pay the rental fee to the Board weekly.

You will furnish as many operators, who shall be competent and satisfactory to the Board, as may be required to handle the business adequately, and you will have at least one qualified operator available for duty in the beauty shop at all times during the regular hours of service.

You will be responsible for the payment of all expenses, including the salaries of your employees and laundry charges, in connection with the operation of the beauty shop.

The hours of service will be fixed by agreement between you and the Board's representative.



10/18/51

-4-

"The cleaning of the beauty shop, other than the washing of windows and the polishing of floors and window bronze, shall be performed by your employees.

You will pay the cost of the telephone service in the beauty shop as shown by bills submitted to you monthly by the Board.

Your relationship with the Board will be that of an independent contractor, and you will save and hold the Board, its members, officers and employees harmless from all claims for injury to any person and damages to any property arising out of or resulting in any way from the performance of this agreement. You will obtain and keep in force at all times a public liability insurance policy covering the beauty shop with limits of at least \$50,000. You will obtain and keep in force at all times a malpractice or beauty parlor liability insurance policy with limits of \$5,000/\$10,000. You will obtain and keep in force, when necessary, a workmen's compensation insurance policy. All such policies shall be satisfactory to the Board's representative.

This agreement may be terminated at the request of you or of the Board's representative on thirty days' written notice.

"Kindly advise in writing whether you agree to assume the responsibility of operating the beauty shop in the Federal Reserve Building under the conditions stated above."

Approved unanimously.

Telegram to Mr. Shuford R. Nichols, Des Arc, Arkansas, prepared in accordance with action taken at the meeting on October 15, 1951, reading as follows:

"Board of Governors of the Federal Reserve System has appointed you director of the Little Rock Branch of the Federal Reserve Bank of St. Louis for three-year term beginning January 1, 1952.

"It is understood that you will resign as commercial bank director in order to qualify as director of

10/18/51

-5-

"Little Rock Branch and that you do not hold any public or political office. Should your situation in these respects change during the tenure of your appointment, it will be appreciated if you will advise the Chairman of the Board of Directors of the Federal Reserve Bank of St. Louis.

"Your acceptance by collect telegram will be appreciated."

Approved unanimously.

Telegram to Mr. Caffey Robertson, President, Caffey Robertson Company, Memphis, Tennessee, prepared in accordance with the action taken at the meeting on October 15, 1951, reading as follows:

"Board of Governors of the Federal Reserve System has appointed you director of the Memphis Branch of the Federal Reserve Bank of St. Louis for three-year term beginning January 1, 1952, and will be pleased to have your acceptance by collect telegram.

"It is understood that you are not a director of a Bank and do not hold public or political office. Should your situation in these respects change during the tenure of your appointment, it will be appreciated if you will advise the Chairman of the Board of Directors of the Federal Reserve Bank of St. Louis."

Approved unanimously.

Letter to Mr. R. F. Leonard, Director, Division of Bank Operations, Board of Governors of the Federal Reserve System, Washington, D. C., prepared in accordance with action taken at the meeting on September 17, 1951, reading as follows:

"The Board hereby authorizes you, in your capacity as Director of the Division of Bank Operations, to proceed to Puerto Rico for the purpose of engaging in a survey of the banking and credit mechanism of the island,

10/18/51

-6-

"as requested by the Insular Government. It is understood that you will leave Washington on or about October 23 and that the study will consume approximately two weeks.

"During the period of this survey, your salary will be continued by the Board on a nonreimbursable basis. While traveling from Washington to Puerto Rico and return, your actual necessary transportation expenses and a per diem in lieu of subsistence will be paid from funds under control of the Board in accordance with the Board's travel regulations, together with charges for flight insurance in a reasonable amount; these expenses also will be paid on a nonreimbursable basis.

"Actual expenses incurred by you while in Puerto Rico in connection with the assignment will be reimbursed to you by the Insular Government.

"It is requested that you retain the original of this letter, and that the file copy, after being initialed by you, be returned to the Board's files."

Approved unanimously, together with similar letters to Mr. Frederic Solomon, Assistant General Counsel, and Mr. Albert R. Koch, Chief, Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System.

Letter to the Organizers of The First Bank of Alabaster, Alabaster, Alabama, stating that, subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H, and the following special condition, the Board approves the Bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Atlanta:

3. At the time of admission to membership, such bank shall have a paid-up and unimpaired capital stock of not less than \$50,000 and other capital funds of not less than \$25,000.



10/18/51

-7-

Approved unanimously, together with a letter to Mr. Denmark, Vice President of the Federal Reserve Bank of Atlanta, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of The First Bank of Alabaster, Alabaster, Alabama, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the organizers of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Superintendent of Banks for the State of Alabama for his information.

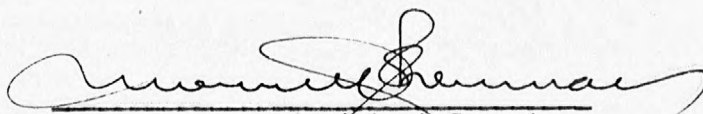
"Before issuing stock in the Federal Reserve Bank of Atlanta to the new State institution, you are requested to satisfy yourself that its capital stock of \$50,000 has been paid in, that a charter has been issued, and not less than \$25,000 of other capital funds provided as set forth in the plan submitted. At such time, your Counsel should review all steps taken in the organization of the bank and certified copies of all organization papers should be forwarded to the Board, together with a copy of Counsel's opinion."

Letter to Mr. William S. Gray, Chairman, Board of Trustees, The Hanover Bank, 70 Broadway, New York, New York, reading as follows:

"There are enclosed two copies of the report of examination of the London Branch of Central Hanover Bank and Trust Company made as of June 7, 1951 by examiners for the Board of Governors of the Federal Reserve System. This examination was made jointly and in cooperation with examiners for the Banking Department of the State of New York. The second copy of the report is for the information and files of Mr. H. B. Chappell, Vice President in charge of the London Branch.

"Your courtesy in acknowledging receipt of the report will be appreciated."

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

  
Assistant Secretary.