

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, May 20, 1952. The Board met in executive session in the Conference Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Szymczak
Mr. Evans
Mr. Powell
Mr. Mills
Mr. Robertson

The Chairman later informed the Secretary that during the executive session unanimous approval was given to the following letter to Mr. Gilbert, President, Federal Reserve Bank of Dallas:

"The Board of Governors approves the payment of salary to Mr. Harry A. Shuford, as Vice President and General Counsel, effective today, and for the period ending May 31, 1953, at the rate of \$12,000 per annum, which is the rate fixed by the Board of Directors as indicated in your letter of May 9, 1952.

"This approval is given with the understanding that there will be placed in your records information establishing that the change in title for Mr. Shuford represents a bona fide promotion in accordance with salary stabilization regulations."

The following additional actions were taken by the Board:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on May 19, 1952, were approved unanimously.

Memoranda dated May 6, 1952, from Mr. Bethea, Director, Division of Administrative Services, recommending that the temporary indefinite appointments of the following employees in that Division be extended on a permanent basis, effective May 25, 1952, with no change in their present basic annual salaries:

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<u>Name</u>	<u>Title</u>
Arthur S. Myers	Operating Engineer
W. Lucius Thalley	Messenger

Approved unanimously.

Letter to Mr. Weigel, Secretary, Federal Reserve Bank of St. Louis, reading as follows:

"The Board of Governors approves the payment of salary to Mr. Marvin L. Bennett as an Assistant Manager, Little Rock Branch, for the period July 1, 1952, through May 31, 1953, at the rate of \$6,900 per annum, which is the rate fixed by the Board of Directors as reported in your letter of May 12, 1952."

Approved unanimously.

Letter to Mr. Wilbur, Chairman, Federal Reserve Bank of San Francisco, reading as follows:

"Thank you for your letter of May 13, 1952, advising of the feelings of the Board of Directors with respect to retirement allowances for retired employees.

"The Board of Governors greatly appreciates the interest taken by the Board of Directors in this matter, as expressed in your letter, and the information you submitted in this connection also is appreciated. However, after further consideration, the Board of Governors still believes, that, in the light of all the circumstances involved, it would not be desirable at this time to pursue the matter of increased retirement allowances."

Approved unanimously.

Letter to Mr. Hill, Vice President, Federal Reserve Bank of Philadelphia, reading as follows:

"Reference is made to your letter of May 9, 1952, submitting the request of the Wilmington Trust Company, Wilmington,

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"Delaware, for approval of the establishment of a branch in Newark, Delaware, in connection with the proposed absorption of the Farmers Trust Company, Newark, Delaware.

"In view of your recommendation, the Board of Governors approves the establishment and operation of a branch in Newark, Delaware, by the Wilmington Trust Company, Wilmington, Delaware, upon absorption of the Farmers Trust Company in accordance with the plan submitted and provided prior approval of the appropriate State authorities is obtained. It is understood that Counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to effect the transaction and to establish the branch."

Approved unanimously.

Letter to Mr. Arthur A. Bright, Jr., Director of Research, The Committee of New England of the National Planning Association, 230 Congress Street, Boston, Massachusetts, reading as follows:

"This refers to your letter of April 30, 1952, requesting certain data on industrial loans and commitments by the Federal Reserve Banks under Section 13b of the Federal Reserve Act. These data, as indicated in your letter, have been tabulated from reports on Forms F. R. 417 and 417a. Copies of these forms are enclosed, together with the tabulations requested.

"It is understood that your desire for this information is to enable you to make comparisons between the Boston Bank's experience, data on which have been or will be supplied by the Federal Reserve Bank of Boston, and the national experience. Inasmuch as some of the figures had not been published, it is requested that in case you wish to publish them in any manner, manuscript or proof copy be submitted to the Board so that we may have an opportunity to review the proposed form of publication."

Approved unanimously.

Telegram to Mr. Cook, Vice President and Cashier, Federal Reserve Bank of Dallas, reading as follows:

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"You submitted by telephone facts of real estate exchange transaction subject to Regulation X where builder exchanges new house valued at \$34,000, for existing unencumbered house valued at \$20,000 plus cash proceeds from \$14,000 mortgage given by purchaser on new house to third party. Builder who wants to borrow \$6,000 on existing property taken in exchange inquires whether this loan is prohibited by regulation, since proceeds of loan plus cash consideration of \$14,000 will be used to pay off construction loan on new house. We do not think loan of \$6,000 on existing property is subject to Regulation X so long as purchaser of new house does not retain title to and give mortgage on existing property."

Approved unanimously.


Secretary.