

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, October 8, 1952. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman  
Mr. Evans  
Mr. Vardaman  
Mr. Mills  
Mr. Robertson

Mr. Carpenter, Secretary  
Mr. Marget, Director, Division of International Finance  
Mr. Dembitz, Assistant Director, Division of International Finance

Mr. Marget made a statement on the current and prospective balance of payments situation in the United Kingdom which was followed by a brief discussion.

Governor Mills referred to a memorandum dated October 7, 1952, from Mr. Young, Director of the Division of Research and Statistics, stating that in the absence of objection from the Board he planned, for reasons outlined in the memorandum, to authorize Messrs. Williams, Sigel, Brill, and Schwartz of the Division's staff to attend the conference on research in income and wealth sponsored by the National Bureau of Economic Research which will be held in New York City on October 17 and 18, 1952, and that since the conference would be held on Friday and Saturday it would involve an absence of only one working day for the persons concerned.

Upon recommendation of Governor Mills, the attendance at the Conference of the four men named was approved with the understanding that inasmuch as attendance at the

10/8/52

-2-

Conference on Saturday should be regarded as work on official business of the Board, Mr. Young would be authorized in his discretion to grant compensatory leave to the four staff members involved for attendance at the Conference on that day.

Governor Robertson recommended that in connection with the closing next week of the interagency bank examination school which was being conducted in the Board's offices, the Board authorize the payment of the costs of (1) a simple reception at 4:30 on Wednesday afternoon, October 15, for those attending the school, to which officials of the Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation would also be invited, and (2) a luncheon for the students and other members of the school on Friday, October 17.

Governor Robertson's recommendations were approved unanimously.

The following additional actions were taken by the Board:

Minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on October 7, 1952, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on October 7, 1952, were approved unanimously.

Memoranda recommending that the basic annual salaries of the following employees be increased in the amounts indicated, effective October 12, 1952:

10/8/52

-3-

| <u>Date of Memorandum</u>  | <u>Name and Title</u>   | <u>Salary Increase From</u> | <u>To</u>        |
|--|---|-----------------------------|------------------|
| <u>Memorandum from the Secretary of the Board</u>  |   |                             |                  |
| 9/23/52  | Ruth W. Franta,<br>Records Clerk<br>Portia R. Agadjanian,<br>File Clerk         | \$3,495<br>3,350            | \$3,575<br>3,430 |
| <u>Memorandum from Mr. Vest, General Counsel,<br/>Legal Division</u>                             |   |                             |                  |
| 9/10/52  | Eleanor Omohundro,<br>Clerk-Stenographer  | 3,535                       | 3,660            |
| <u>Memorandum from Mr. Young, Director,<br/>Division of Research and Statistics</u>              |   |                             |                  |
| 9/26/52  | Katherine G. Black,<br>Clerk<br>Dorothy S. Graham,<br>Clerk-Typist              | 3,255<br>3,030              | 3,335<br>3,110   |
| <u>Memorandum from Mr. Marget, Director,<br/>Division of International Finance</u>               |   |                             |                  |
| 9/30/52  | Reed J. Irvine,<br>Economist  | 4,580                       | 4,705            |
| <u>Memoranda from Mr. Leonard, Director,<br/>Division of Bank Operations</u>                     |   |                             |                  |
| 9/23/52  | Margaret Grisct,<br>Clerk-Stenographer<br>Dorothy Werner,<br>Clerk-Stenographer | 4,035<br>4,035              | 4,160<br>4,160   |
| 9/30/52  | Doris V. Bubb,<br>Statistical Clerk   | 3,190                       | 3,335            |
| <u>Memorandum from Mr. Kelleher, Assistant Director,<br/>Division of Administrative Services</u> |   |                             |                  |
| 9/22/52  | Catherine A. Fornof,<br>Stenographer  | 3,415                       | 3,495            |

10/8/52

-4-

| <u>Date of Memorandum</u>  | <u>Name and Title</u>                                  | <u>Salary Increase</u> |           |
|--|--|------------------------|-----------|
|  |  | <u>From</u>            | <u>To</u> |
| Memorandum from Mr. Kelleher, Assistant Director,<br>Division of Administrative Services |  |                        |           |
| 9/22/52  | Catherine Gallagher,<br>Cafeteria Helper               | \$2,630                | \$2,700   |
|  | Claiborne Johnson,<br>Senior Mail Clerk                | 3,785                  | 3,910     |
|  | Wayne A. Pollard,<br>Assistant Chief<br>Fiscal Section | 6,540                  | 6,740     |
|  | Kathleen J. O'Connor,<br>Clerk                         | 3,495                  | 3,575     |

Approved unanimously.

Memorandum dated September 26, 1952, from Mr. Young, Director, Division of Research and Statistics, recommending the appointment of Dorothy A. Culbertson as Clerk in that Division, on a temporary indefinite basis, with basic salary at the rate of \$3,190 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 September 26, 1952, from Mr. Young, Director, Division of Research and Statistics, recommending the appointment of Josephine M. McCue as Clerk-Stenographer in that Division, on a temporary indefinite basis, with basic salary at the rate of \$3,110 per annum, effective as of the date upon which she enters upon the performance of her



10/8/52

-5-

duties after having passed the usual physical examination and subject to the completion of a satisfactory employment investigation.

Approved unanimously.

Memorandum dated September 26, 1952, from Mr. Young, Director, Division of Research and Statistics, recommending the appointment of Jeanine O'Shields as Clerk-Typist in that Division, on a temporary basis for a period of three months, with basic salary at the rate of \$2,830 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 September 29, 1952, from Mr. Sloan, Director, Division of Examinations, recommending that Helen B. Wolcott be transferred from the Board Members Offices to the position of Secretary in the Division of Examinations, with no change in her present salary of \$5,500 per annum, effective October 5, 1952, with the understanding that in January, 1953, Miss Wolcott's basic salary would be adjusted to the appropriate amount in line with the classification of the position she then occupies.

Approved unanimously.

10/8/52

-6-

Memorandum dated October 7, 1952, from Mr. Bethea, Director, Division of Administrative Services, stating that Libbie L. Boyd, Charwoman in that Division, had applied for retirement on account of disability under the Board's Retirement Plan, effective June 1, 1952.

Noted.

Letter to Mr. Bilby, Vice President, Federal Reserve Bank of New York, reading as follows:

"Reference is made to your letter of September 26, 1952, requesting the Board's approval of the continuation of the payment of salary for an indefinite period to Mr. Roland J. Schwartz at the rate of \$6,717 per annum, which is \$617 in excess of the maximum established for the position he now occupies.

"It has been the Board's policy to encourage the Reserve Banks to follow as closely as possible the salary limits established for the various grades. There have been instances, of course, where strict adherence to this policy would have created hardships and the Board has approved the continuation of the payment of salaries that were not within the established grades. However, in Mr. Schwartz's case, it is believed that, in retaining him in his present status for an indefinite period, other inequities perhaps would develop, particularly since it will be nine years before he reaches retirement age.

"In the circumstances, the Board of Governors approves the payment of salary to Mr. Roland J. Schwartz as Assistant Chief in the Cash Custody Division, Cash Custody Department, at the rate of \$6,717 per annum, for an additional period of six months from October 17, 1952, in the hope that during this period he can be placed in a position having duties and responsibilities commensurate with the salary paid. If this cannot be accomplished, the Board will be pleased to reconsider the matter in the light of the circumstances then existing."

Approved unanimously.

10/8/52

-7-

Letter to Mr. Lunding, Federal Reserve Agent, Federal Reserve Bank of Chicago, reading as follows:

"In accordance with the request contained in Mr. Meyer's letter of October 1, 1952, the Board of Governors approves the payment of salary to Mr. August J. Pettke, Federal Reserve Agent's Representative at the Detroit Branch, at the rate of \$6,543.00 per annum, effective October 6, 1952."

Approved unanimously.

Letter to Mr. Shepard, Federal Reserve Agent, Federal Reserve Bank of Minneapolis, reading as follows:

"In accordance with the request contained in Mr. Core's letter of September 25, 1952, the Board of Governors approves the payment of salaries to the following named members of the Federal Reserve Agent's staff at the rates indicated, effective October 1, 1952:

| <u>Name and Title</u>   | <u>Annual Salary</u> |
|---|----------------------|
| L. W. Powell, Federal Reserve Agent's Representative, Helena Branch | \$ 4,900             |
| J. L. Heath, Federal Reserve Agent's Representative, Helena Branch" | 4,900                |

Approved unanimously.

Telegram to Mr. Leach, President, Federal Reserve Bank of Richmond, reading as follows:

"Reurtel October 3 advising that Conference of Presidents at meeting September 23-24, 1952, accepted recommendation of Subcommittee on Collections as revised and approved by Subcommittee of Counsel on Collections that subparagraph (4) of 'Uniform Instructions Regarding Protest and Wire Advice of Nonpayment' contained in check collection circulars of



10/8/52

-8-

"Federal Reserve Banks be amended to read as follows:

'(4) Wire advice of nonpayment of all items of \$1,000 or over, except those not paid because of missing, irregular or unsatisfactory endorsement and those bearing on their face "Do not wire nonpayment" with the A.B.A. transit number of a Federal Reserve Bank or of a preceding bank endorser. Include in the wire advice of nonpayment the A.B.A. transit numbers or the names of the two endorsers immediately preceding the Federal Reserve Bank.'

Board has approved this amendment to Uniform Instructions Regarding Protest and Wire Advice of Nonpayment to become uniformly effective as suggested by you on November 1, 1952. It is understood that you will advise Presidents of other Federal Reserve Banks of this action."

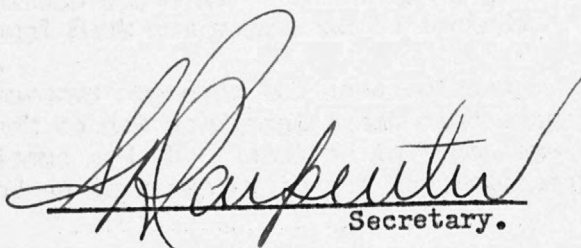
Approved unanimously.

Letter for the signature of the Chairman to Mr. Harold J.

Warren, Clerk, Joint Committee on Defense Production, Room 11-C, Senate Office Building, Washington, D. C., reading as follows:

"In response to your letter of August 22, 1952, 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."

Approved unanimously.

  
Secretary.