

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, May 7, 1953.

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

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 May 6, 1953, were approved unanimously.

Memorandum dated May 4, 1953, from Mr. Young, Director, Division of Research and Statistics, recommending that the resignation of June Elizabeth Crawley, Clerk in that Division, be accepted, effective May 15, 1953.

Approved unanimously.

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

"In accordance with the request contained in Mr. Meyer's letter of May 1, 1953, the Board of Governors approves the payment of salary to Mr. George H. Schussler, Acting Assistant Federal Reserve Agent, at the rate of \$4,900 per annum, effective May 4, 1953."

Approved unanimously.

Letter to Mr. Dawes, Vice President and Secretary, Federal Reserve Bank of Chicago, reading as follows:

"The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of

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"Chicago and the Detroit Branch for the period May 1, 1953, through June 30, 1953, at the rates indicated, which are the rates fixed by the Board of Directors as reported in your letter of April 24, 1953.

<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
	<u>Detroit Branch</u>	
Russel A. Swaney	Vice President	\$13,000
	<u>Head Office</u>	
Bruce L. Smyth	Assistant Vice President	11,000
Hugh J. Helmer	Assistant Chief Examiner	10,000
Charles J. Scanlon	Assistant Chief Examiner	10,000"

Approved unanimously.

Letter to Mr. Earhart, President, Federal Reserve Bank of San Francisco, reading as follows:

"In response to your letter of April 17, 1953, the Board of Governors approves the following minimum and maximum salaries for the respective grades effective July 1, 1953:

San Francisco Head Office

<u>Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
1	\$ 2,100	\$ 2,820
2	2,280	3,060
3	2,520	3,360
4	2,760	3,700
5	3,060	4,100
6	3,360	4,500
7	3,660	4,900
8	4,000	5,400
9	4,400	6,000
10	4,900	6,600
11	5,400	7,200
12	5,900	7,900
13	6,400	8,600
14	7,000	9,400
15	7,600	10,200
16	8,300	11,100

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<u>"Grade</u>		<u>Minimum Salary</u>	<u>Maximum Salary</u>
<u>Salt Lake City Branch</u>			
1		\$ 1,800	\$ 2,400
2		1,920	2,640
3		2,100	2,880
4		2,340	3,120
5		2,580	3,420
6		2,820	3,800
7		3,060	4,200
8		3,360	4,600
9		3,700	5,100
10		4,100	5,600
11		4,600	6,200
12		5,100	6,900
13		5,600	7,600
14		6,100	8,300
15		6,700	9,000
16		7,300	9,800
<u>Los Angeles, Portland, and Seattle Branches</u>			
1		\$ 1,980	\$ 2,700
2		2,160	2,880
3		2,340	3,060
4		2,520	3,360
5		2,820	3,800
6		3,120	4,200
7		3,420	4,600
8		3,800	5,100
9		4,200	5,600
10		4,600	6,200
11		5,000	6,800
12		5,500	7,400
13		6,000	8,100
14		6,500	8,800
15		7,100	9,600
16		7,800	10,500

"The Board approves the payment of salaries to the employees other than officers within the limits specified for the grades in which the positions of the respective employees are classified. It is assumed that all employees whose salaries are below the minimum of their grades as a result of this structure modification will be brought within the appropriate range as soon as practicable and not later than October 1, 1953."

Approved unanimously.

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Telegram to Mr. Millard, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

"Relet May 1. Board extends to June 7, 1953 time within which Bank of Whittier, Whittier, California may accomplish membership."

Approved unanimously.

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

"Recent developments have made it advisable for the Board again to consider whether the maximum permissible rate of 5% interest on V-loans is appropriate. It will be appreciated if you will advise by wire your thoughts on this question, including specific comments on the following points:

1. Do you believe the present maximum rate of 5% should be increased and if so, by how much?
2. Do you know of any specific cases where a defense contractor has been unable to obtain V-loan financing because of the prevailing maximum rate?
3. Do you believe banks would be more inclined to make V-loans, especially to smaller concerns, if the maximum rate of interest is increased?

"Would appreciate reply by Monday, May 11."

Approved unanimously.

Letter to Mr. Earhart, President, Federal Reserve Bank of San Francisco, reading as follows:

"Reference is made to your letter of April 27, 1953, pointing out some of the administrative difficulties you have experienced in connection with the V-loan program and suggesting that future guarantees be issued by the Department of Defense on behalf of the three Armed Services.

"Your suggestion has been discussed informally with Mr. John Bachman, Chairman of the Contract Finance Committee of the

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"Department of Defense. We are inclined to agree with him that while there might be potential benefits from the suggested change, there would also be some disadvantages which could fairly be expected to outweigh the potential advantages. He pointed out that the change could be highly controversial because of its deviation from the established patterns of organization and procedure under the National Security Act and Section 301 of the Defense Production Act. New, and somewhat unpredictable, operating problems would be inherent in such a revised system. The Defense Department believes that under present circumstances the balance of potential advantages and disadvantages is such that this change in the V-loan system should not be proposed."

Approved unanimously.

Letter to the Honorable Ray M. Gidney, Comptroller of the Currency, Washington, D. C., reading as follows:

"In the Board's letter of March 21, 1946 to Honorable Preston Delano, Comptroller of the Currency, a program was outlined for microfilming, at the Board's offices, reports of condition and earnings and dividends for selected dates and periods of both State member banks and national banks. Mr. Upham, Deputy Comptroller, replied on March 27, 1946, and agreed to make the desired reports of national banks available for microfilming.

"At that time it was arranged to microfilm the June and December reports of condition submitted by State member banks, but only the December reports of national banks. It now seems desirable to maintain a microfilm record of reports of condition of all member banks for both June and December call dates.

"The Board, if agreeable to you, plans to revise its microfilming procedure so as to include June condition reports of national banks beginning with 1941, the first year for which they are still available at your offices. These microfilm records will be available to your office at any time upon request.

"The Board would appreciate it if, in addition to existing arrangements regarding December condition reports, you would authorize your Statistical Division to make the June condition reports beginning with 1941 available to us for microfilming."

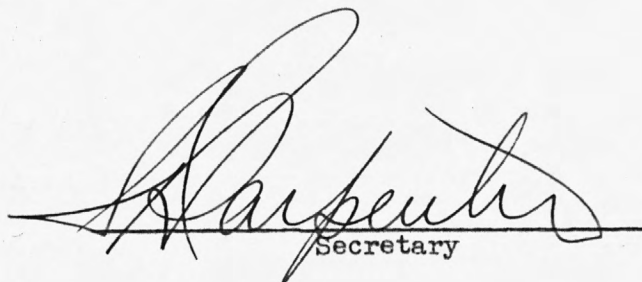
Approved unanimously.

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Memorandum dated May 5, 1953, from Mr. Hostrup, Assistant Director, Division of Examinations, requesting permission to stand for election to the office of representative of the Wood Acres (Maryland) Citizens Association on the Conduit Road Fire Board, Inc., Glen Echo, Maryland, for the four year term expiring in May 1957.

Approved unanimously.



Secretary