

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, February 23, 1950.

PRESENT: Mr. McCabe, Chairman
Mr. Eccles
Mr. Szymczak
Mr. Draper

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

Minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on February 21, 1950, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on February 21, 1950, were approved unanimously.

Memorandum dated February 20, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending an increase in the basic salary of Mrs. Nancy W. Ware, a clerk-typist in that Division, from \$2,530 to \$2,610 per annum, effective March 5, 1950.

Approved unanimously.

Telegram to Mr. Latham, Vice President of the Federal Reserve Bank of Boston, reading as follows:

"Retel February 21. Board approves designation of the following employees of your bank as special assistant examiners:

Daniel Aquilino	Paul J. Hanify
John F. Burke	Edward McCarthy
E. Lloyd Evans, Jr.	Donald A. Pelletier

Approved unanimously.

Letter to Mr. McCreedy, Secretary of the Federal Reserve Bank of Philadelphia, reading as follows:

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"The Board of Governors approves the appointments of Messrs. B. F. Mechling, Harry L. Miller, Keith Powlison, James M. Skinner, and Daniel H. Schultz as members of the Industrial Advisory Committee for the Third Federal Reserve District to serve for terms of one year each, beginning March 1, 1950, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Philadelphia, as reported in your letter of February 16, 1950."

Approved unanimously.

Letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"The Board of Governors approves the reappointments of Messrs. Charles R. Moore, E. P. Simmons, Lawrence S. Pollock, Ira T. Moore, and Jake L. Hamon as members of the Industrial Advisory Committee for the Eleventh Federal Reserve District to serve for terms of one year each, beginning March 1, 1950, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Dallas, as reported in your letter of February 20, 1950."

Approved unanimously.

Letters prepared for Chairman McCabe's signature to Honorable Burnet R. Maybank, Chairman, Committee on Banking and Currency, United States Senate, and Honorable Brent Spence, Chairman, Committee on Banking and Currency, House of Representatives, reading as follows:

The Board approved the letters for transmission to the Bureau of the Budget under date of January 23, 1950, with a request for advice as to the relationship of the proposal contained therein to the program of the President, and the Budget Bureau replied under date of February 2, 1950, that there would be no objection to the presentation of the proposal to the Congress:

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"The Board of Governors wishes to recommend for the consideration of your Committee legislation to modify the limitations now contained in the Federal Reserve Act upon the cost of buildings at branches of the Federal Reserve Banks.

"In 1947, the Board brought to the attention of Congress the need for more adequate building facilities at the branches of the Federal Reserve Banks, pointing out that this need could not be met because of a provision of the law placing a limit of \$250,000 upon the cost of any such building (exclusive of the cost of vaults, permanent equipment, furnishings, and fixtures, and also exclusive of the cost of land). At that time, in order to take care of the most urgent needs for additional building construction, Congress provided in the Act of July 30, 1947, that this limit should not apply as long as the aggregate of such costs thereafter incurred for all branch bank buildings with the approval of the Board of Governors was not in excess of \$10,000,000.

"Under the provisions of the 1947 amendment to the law the Board has approved: (1) purchase of the existing building occupied by the Cincinnati branch of the Federal Reserve Bank of Cleveland; (2) construction of buildings to house the Portland and Seattle branches of the Federal Reserve Bank of San Francisco, which now occupy rented quarters; and (3) construction of a major addition to the quarters of the Detroit branch of the Federal Reserve Bank of Chicago.

"In addition, the Board has approved the preparation of detailed plans and specifications for a new building to house the Jacksonville branch of the Federal Reserve Bank of Atlanta, and funds have been earmarked to permit this construction within the \$10,000,000 limitation.

"The Board has also authorized preparation of detailed plans and specifications for a major addition to the quarters of the Los Angeles branch of the Federal Reserve Bank of San Francisco. Preliminary plans have been submitted for proposed major additions to the quarters occupied by the Pittsburgh branch of the Federal Reserve Bank of Kansas City and the Omaha branch of the Federal Reserve Bank of Kansas City. These additions are all badly needed to provide adequate space and satisfactory working conditions. On the basis of present estimates it would not be possible to complete all three of these programs within the existing limitation.

"Most of the buildings occupied by branches of the Federal Reserve Banks were acquired or constructed more than

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"20 years ago and, in view of the expanded activities since that time, additional space is needed at many branches other than those mentioned above. In particular, new buildings, or substantial remodeling or improvements, are contemplated for the Buffalo, Louisville and San Antonio branches. Also, programs for additions of varying size to the present structures are contemplated for the buildings occupied by the following branches: Baltimore, Charlotte, Birmingham, Nashville, Denver, Oklahoma City, El Paso, Houston, and Salt Lake City.

"It is clear that under the provisions of the present law the amount available for additional construction at the branches is wholly inadequate for programs which are necessary in the interest of efficient operation.

"It should be borne in mind that all expenses in connection with the construction and enlargement of the branch bank buildings are met by the Federal Reserve Banks out of their own funds. No appropriations of Government funds are involved. Moreover, the Board of Governors, as an agency of the Government, is vested with the general supervision of the Federal Reserve Banks; and, in the exercise of this supervision, all construction projects with respect to branch bank buildings come before the Board of Governors for its approval. In each case, the Board considers the proposal in the light of the needs of the branch, the type of building to be constructed, the reasonableness of the cost, the availability of materials, whether the construction at the time is generally in keeping with the prevailing economic situation, and other pertinent considerations.

"The Board believes that the \$10,000,000 aggregate amount which under the 1947 amendment may be expended for Federal Reserve branch buildings (exclusive of land, vaults, permanent equipment, furnishings, and fixtures) is clearly insufficient at this time and recommends, therefore, that this \$10,000,000 amount be increased to \$25,000,000. A draft of bill to carry out this recommendation is enclosed, and the Board earnestly hopes that your Committee will give favorable consideration to this legislation at an early date.

"The Bureau of the Budget has advised us that there is no objection to the presentation of this proposal to the Congress."

Approved unanimously.

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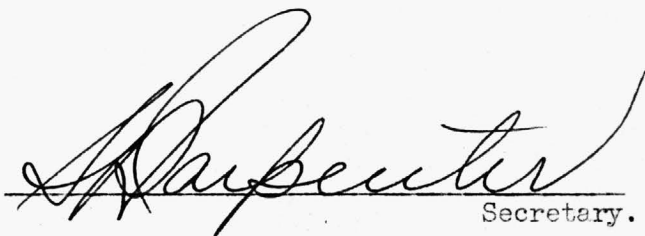
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Letter to the Honorable Frank Pace, Jr., Director of the Bureau of the Budget, reading as follows:

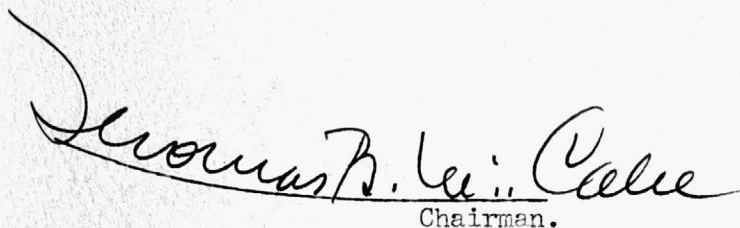
"In compliance with a request received from the House Committee on the Judiciary, the Board has prepared the enclosed report on the bill H.R. 6976 to amend Title 18 of the United States Code relating to bank robbery.

"Before transmitting this report, the Board will appreciate advice as to the relationship of the proposed legislation to the program of the President."

Approved unanimously.


Secretary.

Approved:


Chairman.