Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, April 7, 1950. The Board met in the Board Room at 10:35 a.m.

PRESENT: Mr. Szymczak, Chairman pro tem.
Mr. Draper
Mr. Vardaman

Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Vest, General Counsel
Mr. Hostrup, Assistant Director,
Division of Examinations
Mr. Baumann, Assistant General Counsel

There were presented telegrams to the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on April 4, by the Federal Reserve Bank of St. Louis on April 5, by the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, and Dallas on April 6, 1950, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

There was presented a telegram to Mr. McCreedy, Vice President of the Federal Reserve Bank of Philadelphia, reading as follows:

"Retel April 6, Board approves effective April 7, 1950 on purchases of Government securities under
"resale agreement minimum rate of 1/8 per cent above average issuing rate on most recent issue of United States Treasury bills, as authorized by Federal Open Market Committee March 1, 1950. Otherwise Board approves establishment by your Bank, without change, of rates of discount and purchase in Bank's existing schedule, advice of which was contained in your telegram dated April 6."

Approved unanimously.

Before this meeting there had been sent to the members of the Board a memorandum from Mr. Vest dated April 3, 1950, transmitting amendments which had been proposed by representatives of different agencies in connection with the hearings on the bank holding company bill, S. 2318.

Mr. Szymczak stated that in a telephone conversation this week Senator Robertson had informed him that if the bank holding company bill were to be reported out of committee it would be necessary that it be in a form satisfactory to the Treasury, that he hoped the Board would be able to suggest a more satisfactory provision with respect to assuring judicial review in lieu of the language now used in section 10 of the bill, and that he would be glad to have Chairman McCabe or other representatives of the Board give him the Board's views as to amendments to be made in the bill in order to enable the committee to complete a revised draft. Mr. Szymczak went on to say that this meeting was for the purpose of discussing the proposed amendments preparatory to a more complete discussion at a meeting early next week when additional members
of the Board would be present.

Mr. Vardaman stated that, for reasons which he expressed, he would much prefer to defer a discussion of the matter until Monday or Tuesday of next week when Chairman McCabe and Mr. Eccles would be able to attend a meeting. He said, however, that he felt it desirable to discuss the matter promptly in order that the Board might express its views to Senator Robertson.

Mr. Vardaman withdrew from the meeting at this point.

At Mr. Szymczak's request, Mr. Vest outlined the principal amendments which had been suggested by the Comptroller of the Currency, the American Bankers Association, and Transamerica Corporation, and he also referred to proposals submitted by the Morris Plan group.

There followed a general discussion of the proposed amendments at the conclusion of which it was understood that the matter would be placed on the docket for further discussion at a meeting on Monday or Tuesday of next week.

At this point all of the members of the staff with the exception of Messrs. Sherman and Kenyon withdrew, and the action stated with respect to each of the matters hereinafter referred to was taken by the Board.

Memorandum dated April 5, 1950, from Mr. Young, Director of the Division of Research and Statistics, recommending the
appointment of Miss Gretchen L. Geigenmueller as a clerk-stenographer in that Division, on a temporary indefinite basis, with basic salary at the rate of $2,610 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination.

Approved unanimously.

Telegram to Mr. Symms, Vice President and Cashier of the Federal Reserve Bank of San Francisco, reading as follows:

"Refer your wire April 6 regarding question when 7-day period in section 4(c) of Regulation T begins to run in sale by broker of securities which are currently available from the issuer under subscription rights. Board agrees with your view that 7-day period runs from date as of which sale is confirmed by broker, that is, there would be 7 days after that date."

Approved unanimously.

Telegram to Mr. Knoke, Vice President of the Federal Reserve Bank of New York, reading as follows:

"Your wire April 6. Board approves the opening and maintenance of an account on your books in the name of the Banco Nacional de Cuba, subject to the usual terms and conditions upon which your Bank maintains accounts for foreign central banks and governments.

"It is understood that you will in due course offer participation in this account to the other Federal Reserve Banks."

Approved unanimously.

Letter to Mr. Latham, Vice President of the Federal Reserve Bank of Boston, reading as follows:
"Reference is made to your letter of March 28, 1950, submitting for consideration of the Board of Governors the proposal of the 'Industrial Trust Company', Providence, Rhode Island, to remove its branch in Bristol, Rhode Island, from present leased quarters at 525 Hope Street to a new building to be constructed at 601 Hope Street.

"It is understood that the proposed investment will not bring the total investment of the trust company in banking premises to an amount exceeding its present capital stock. The Board will interpose no objection to the removal of the bank to its new quarters when completed."

Approved unanimously.

[Signature]

Assistant Secretary.

Approved:

[Signature]

Chairman pro tem.