

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, April 23, 1951.

PRESENT: Mr. Martin, Chairman
Mr. Szymczak
Mr. Evans
Mr. Vardaman
Mr. Norton

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 April 20, 1951, were approved unanimously.

Memorandum dated April 16, 1951, from Mr. Dembitz, Assistant Director of the Division of International Finance, recommending the appointment of Miss Ann Marie Roberts as a clerk-stenographer in that Division, on a temporary indefinite basis, with basic salary at the rate of \$2,970 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.

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

"This refers to Mr. Knoke's letter of April 13, 1951, requesting the Board's approval to the opening and maintenance at your Bank of a joint account for De Nederlandsche Bank, N. V., and Trustfonds Nederlandsche Bank, which would be operated by new authorities in the event of possible invasion of the Netherlands.

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"We note that the Executive Committee of your Bank at its meeting on April 12, 1951, authorized the opening and maintenance of such a joint account subject to the approval of the Board of Governors. We also note the suggestion that when such account is opened you may wish to consider with the Board the matter of offering participation in the account to the other Federal Reserve Banks.

"The Board of Governors approves the opening and maintenance of such joint account and at the time of the opening of such account the Board will be glad to consider with your Bank the matter of offering participation in the account to the other Federal Reserve Banks."

Approved unanimously.

Letter to Mr. Stetzelberger, Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"Referring to your letter and recommendation of April 17, 1951, the Board of Governors extends until October 17, 1951, the time within which The Cleveland Trust Company, Cleveland, Ohio, may establish the branch in Euclid, Ohio, as approved by the Board under date of October 17, 1950."

Approved unanimously.

Letter to The President, The White House, reading as follows:

"This refers to the memorandum of April 21, 1951, addressed by Mr. Elmer B. Staats, Assistant Director of the Bureau of the Budget, to the Heads of the Executive Departments and Agencies, with reference to the amendments to the Defense Production Act.

"We note that the provisions of section 14, with reference to real estate construction credit, and the provisions of section 16, granting certain powers to the President in connection with loans which have been the subject of action under section 605 of the Defense Production Act, are in substantially

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"the form suggested by the Board in previous letters to the General Counsel of the Office of Defense Mobilization. We also note that all authority contained in the Defense Production Act would by section 22 be extended to the close of business June 30, 1953.

"With regard to the provisions of section 4 of the bill, the Board believes, for the reasons stated in its letter to Mr. Wilson of March 9, 1951, that it should be the policy of the Government to avoid the creation of additional Government instrumentalities for the purpose of providing credit to business enterprises and that the private credit of the country should be utilized for such purposes to the fullest extent possible.

"The Board has no comments to offer on the other provisions of this bill."

Approved unanimously.

Letter to the Honorable Frederick J. Lawton, Director, Bureau of the Budget, Washington 25, D. C., reading as follows:

"In compliance with a request received from the Senate Committee on Banking and Currency, the Board has prepared the enclosed report on the Bill S. 515 to amend the Reconstruction Finance Corporation Act.

"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.

Letter to the Honorable Frederick J. Lawton, Director, Bureau of the Budget, Washington 25, D. C., reading as follows:

"The Committee on Expenditures in the Executive Departments, by letter dated March 20, 1951, has requested the Board to report on S. 1150, a bill 'To provide for the reorganization of the Department of the Treasury in accordance with recommendations of the Commission on Organization of the Executive Branch of the Government'.

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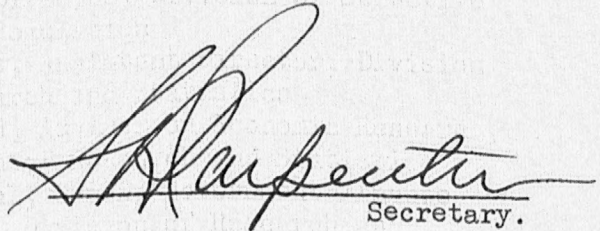
"There are enclosed four copies of a proposed report representing the Board's views on S. 1150. Please advise us as to the relationship of this legislation to the program of the President."

Approved unanimously.

Telegram to Mr. Woolley, Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"Reurtel April 19 even though existing note for less than \$2500 and additional instalment credit would bring aggregate non-automotive instalment indebtedness to the creditor above \$2500 the transactions would still be subject to Regulation W unless consolidated in a single obligation."

Approved unanimously.


Secretary.