

11/2/51 Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, November 2, 1951.

PRESENT: Mr. Martin, Chairman
Mr. Szymczak
Mr. Powell

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary

Telegrams to the Federal Reserve Banks of Boston, New York, Philadelphia, Atlanta, Chicago, St. Louis, Kansas City, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of St. Louis on October 29, by the Federal Reserve Banks of Kansas City and San Francisco on October 30, by the Federal Reserve Bank of Atlanta on October 31, by the Federal Reserve Banks of New York, Philadelphia, and Chicago on November 1, 1951, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated October 29, 1951, from Mr. Young, Director, Division of Research and Statistics, recommending an increase in the basic salary of Philip T. Allen, Economist in that Division, from \$6,140 to \$7,040 per annum, effective November 11, 1951.

Approved unanimously.

Memorandum dated October 30, 1951, from Mr. Boothe, Assistant Director, Division of Selective Credit Regulation, recommending an increase in the basic salary of Miss Betty J. Plaughter, Clerk-Stenographer

11/2/51

in that Division, from \$2,950 to \$3,175 per annum, effective November 11, 1951.

Approved unanimously.

Memorandum dated October 30, 1951, from Mr. Marget, Director, Division of International Finance, recommending an increase in the basic salary of Miss Marian E. Gochenour, Clerk in that Division, from \$2,830 to \$2,950 per annum, effective November 11, 1951.

Approved unanimously.

Memorandum dated November 1, 1951, from Mr. Bethea, Director, Division of Administrative Services, recommending increases in the basic annual salaries of the following employees in that Division, effective November 11, 1951:

Name	Title	Salary Increase	
		From	To
Helen L. Sweeney	Clerk	\$3,335	\$3,415
Helen M. Capozio	Clerk	3,255	3,335
Burlon F. Yates	Telegraph Operator	3,410	3,535

Approved unanimously.

Letter to the Federal Deposit Insurance Corporation, Washington, D. C., reading as follows:

"Pursuant to the provisions of section 4(b) of the Federal Deposit Insurance Act, the Board of Governors of the Federal Reserve System hereby certifies that the Rhode Island Hospital Trust Company, Providence, Rhode Island, became a member of the Federal Reserve System on October 31, 1951, and is now a member of the System. The Board of Governors of the Federal Reserve System further hereby certifies that, in connection with the admission

11/2/51

-3-

"of such bank to membership in the Federal Reserve System, consideration was given to the following factors enumerated in section 6 of the Federal Deposit Insurance Act:

1. The financial history and condition of the bank,
2. The adequacy of its capital structure,
3. Its future earnings prospects,
4. The general character of its management,
5. The convenience and needs of the community to be served by the bank, and
6. Whether or not its corporate powers are consistent with the purposes of the Federal Deposit Insurance Act."

Approved unanimously.

Telegram for the signature of the Chairman to the Chairmen of all Federal Reserve Banks, and to the Presidents of all Federal Reserve Banks for their information, reading as follows:

"Board has received from President of United States a request in substantially the same form as that referred to in our wire of October 17, 1950, that it submit (a) a statement of suggestions which it would propose for inclusion in the State of the Union Message and the Economic Report to be presented to Congress in January 1952, (b) views which the Board may wish to present at this time concerning special presidential messages during the next regular session of the Congress, and (c) a report on legislative proposals of interest to the Federal Reserve System.

"I would appreciate any comments or suggestions that you or your directors may wish to make as to what the Board might say in response to the President's request. Among others, legislative proposals might include some or all of the following:

1. Possible removal of the restrictions which the Defense Production Act Amendments of 1951 place on the authority to regulate consumer credit and real estate credit.
2. Capital requirements for admission of State banks to membership and for out-of-town branches of State member banks.
3. Regulation of bank holding companies.

11/2/51

-4-

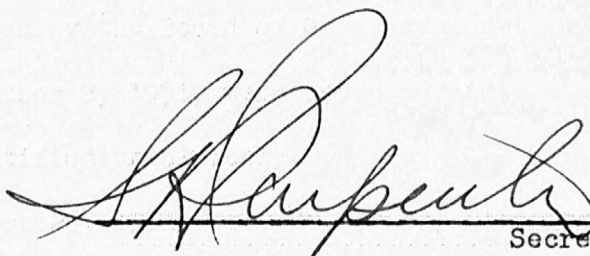
"4. Consideration of changes in the law with respect to reserves of member banks, including the question of extending authority to cover non-member banks.

5. Legislation to remove present requirements regarding the return by one Federal Reserve Bank of Federal Reserve notes received by it that are issued by another Federal Reserve Bank.

6. Possible renewal of proposal for modifying the limitation on the cost of Federal Reserve branch buildings.

"The President requests that material be submitted by December 1. Would appreciate your comments by mail or wire not later than Thursday, November 15."

Approved unanimously.



Secretary.