Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, November 6, 1951. The Board met in the Board Room at 10:30 a.m.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board
Mr. Riefler, Assistant to the Chairman
Mr. Thomas, Economic Adviser to the Board
Mr. Vest, General Counsel
Mr. Young, Director, Division of Research and Statistics
Mr. Allen, Director, Division of Personnel Administration

Mr. Thomas presented a report on developments in the Government securities market which was followed by a brief discussion.

Mr. Norton referred to a memorandum dated October 29, 1951, from the Division of Personnel Administration, which had been circulated to the members of the Board prior to consideration at this meeting, reviewing proposed changes in the official staff of the Nashville Branch of the Federal Reserve Bank of Atlanta occasioned by the recent death of Mr. Joel Fort, Vice President in charge of that branch, as set forth in a letter dated October 24, 1951, from President Bryan, of the Atlanta Bank, in which Mr. Bryan requested approval by the Board of the payment of salaries to the officers concerned at rates specified, subject to formal
approval by the directors of the Federal Reserve Bank at their meeting on November 9. The memorandum recommended approval of the proposed salaries and attached a draft of letter to Mr. Bryan to that effect.

Mr. Norton said that he was acquainted with Mr. Robert E. Moody, Jr., who was proposed by the Atlanta Bank to succeed Mr. Fort. He stated that Mr. Moody, who had acted for some time as Assistant Manager of the Nashville Branch, but was now temporarily assigned as Assistant Vice President at the head office, had served the Bank capably and seemed well qualified for the position, and that he would recommend approval of the Bank's request.

Mr. Vardaman commented on the operation of the Nashville Branch during past years and the unsatisfactory situation with respect to the branch building. He stated that in his opinion proper consideration had not been given to the needs and development of the branch, that the salary of the branch manager had not been as high as it should have been, that the prestige of the branch had suffered as a result, and that unless the branch were given proper management, supervision, and facilities he would be inclined to feel that it should be abolished.

Referring to Mr. Vardaman's comments on the Nashville Branch building, Mr. Norton stated that he had reviewed the situation while in Nashville recently, that several sites for a new building had been inspected, but that in view of the high prices of the properties under consideration, additional efforts would be made to locate a suitable site at a reasonable
Mr. Norton also said, in answer to a question by Mr. Vardaman, that he was confident that Mr. Moody would develop into a competent branch manager under the supervision of President Bryan.

Thereupon, upon motion by Mr. Norton, the following letter to President Bryan, of the Federal Reserve Bank of Atlanta, was approved unanimously:

"The Board of Governors approves the payment of salaries to the following officers of the Nashville Branch of the Federal Reserve Bank of Atlanta for the period November 9, 1951, through May 31, 1952, at the rates indicated, which are the rates reported in your letter of October 24, 1951. This approval is given with the understanding that such rates will be approved by the Board of Directors.

R. E. Moody, Jr. Vice President $9,000
E. R. Harrison Assistant Manager $8,250
L. W. Starr Cashier $7,100"

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on November 5, 1951, were approved unanimously.

Memorandum dated November 6, 1951, from Mr. Allen, Director, Division of Personnel Administration, recommending a leave of absence without pay for Mrs. Rubye Zachary, Clerk in that Division, for the Period November 5, 1951, through January 1, 1952.

Approved unanimously.
Memorandum dated November 6, 1951, from Mr. Carpenter, Secretary of the Board, recommending for reasons stated therein that Mrs. Mildred E. Filger, Supervisor, Federal Open Market Administrative and Subject Files, in the Files Section of the Office of the Secretary be authorized to proceed to Atlanta, Georgia, for the purpose of training and working with the member of the Federal Reserve Bank of Atlanta's staff selected to put into effect an improved filing system, with the understanding that she would remain for a period of approximately one month following the return to Washington from Atlanta of Miss E. B. PoeppeL, Chief of the Files Section. The memorandum further recommended that Mrs. Filger be continued on the Board's pay roll during the period of this assignment, that the Board defray the expenses of her travel to and from Atlanta and allow per diem in lieu of subsistence for the duration of the travel, and that the 1951 budget of the Office of the Secretary be increased by an amount sufficient to cover the travel expenses and per diem.

Approved unanimously.

Letter to Mr. McCready, Vice President and Secretary of the Federal Reserve Bank of Philadelphia, reading as follows:

"Reference is made to your letter of October 30, 1951, in which you advised that it appears expenses for your Bank will exceed the 1951 budget estimates in the amounts indicated.

"The Board accepts the revised figures as submitted and appropriate notations are being made in the Board's records."
Approved unanimously.

Letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"Reference is made to your letter of October 30, 1951, in which you advised that it appears expenses for your head office and branches will exceed the 1951 budget estimates in the amounts indicated.

"The Board accepts the revised figures as submitted and appropriate notations are being made in the Board's records."

Approved unanimously.

Letter to The Honorable, The Comptroller of the Currency, Treasury Department, Washington, D. C., reading as follows:

"This refers to our letter of September 11, 1951, requesting that a supplemental order for printing 10,000,000 sheets of Federal Reserve notes during the fiscal year ending June 30, 1952, be placed with the Bureau of Engraving and Printing. It is respectfully requested that 30,000 sheets of this total be allocated to notes of the Federal Reserve Bank of Richmond, as shown below:

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Number of Sheets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td>30,000</td>
<td>$36,000,000</td>
</tr>
</tbody>
</table>

Approved unanimously.

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

"Reference is made to your letter of October 25, 1951, submitting the request of The Cleveland Trust Company, Cleveland, Ohio, for permission to establish a branch near the corner of West 210th Street and Center Ridge Road, in either Rocky River or Fairview Park, Ohio.

"It is noted that the establishment of the proposed branch has been approved by the appropriate State authorities..."
"and in view of your recommendation, the Board of Governors approves the establishment and operation of a branch near the corner of West 210th Street and Center Ridge Road, in either Rocky River or Fairview Park, Ohio, by The Cleveland Trust Company, Cleveland, Ohio, provided such branch is established within twelve months of the date of this letter and with the understanding that Counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to establish the branch."

Approved unanimously.

Memorandum dated November 5, 1951, from Mr. Hoofer, Assistant Counsel, recommending that there be published in the Law Department of the November issue of the Federal Reserve Bulletin a statement in the form attached with respect to the following subject:

Residential Credit Restrictions in Critical Defense Housing Areas
Executive Order No. 10296

Approved unanimously.

[Signature]
Secretary.