

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, October 6, 1952. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman  
Mr. Evans  
Mr. Vardaman  
Mr. Mills  
Mr. Robertson

Mr. Sherman, Assistant Secretary  
Mr. Myrick, Assistant Director,  
Division of Bank Operations  
Mr. Farrell, Chief, Reserve Bank Budget and  
Expense Section, Division of Bank Operations  
Mr. Massey, Technical Assistant, Division of  
Bank Operations

Before this meeting Governor Evans had sent each member of the Board a memorandum dated October 1, 1952 with respect to a suggested procedure for handling the 1953 Reserve Bank budgets. The memorandum reviewed briefly the history of Reserve Bank budgets and described the analysis procedure followed last year by the Division of Bank Operations and, in the case of budgets for certain functions, by other divisions of the Board in reviewing and commenting upon the budgets. It also outlined a suggested procedure to be followed in connection with the 1953 budgets and their submission to the Board for consideration.

In commenting upon the memorandum, Governor Evans stated that at his request the proposed procedure had been brought to Governor Szymczak's attention and that he had no comments or suggestions for change. Governor Evans then called upon Mr. Myrick, who commented upon the procedure that had

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been followed last year in reviewing Reserve Bank budgets, stating that the proposed procedure for the 1953 budget review was virtually the same.

There was a general discussion of the extent to which historical comparisons of expenditures of the Reserve Banks had been provided, Mr. Myrick noting that in earlier years the budgets were prepared on a functional basis whereas commencing with the budgets for 1952 they were prepared on the basis of objectives of expenditures. As a result, it was not possible to give a historical breakdown on this basis over a period of years. During the discussion, Governor Vardaman expressed the view that the budgets of the Reserve Banks should be considered by the Board at the same time it considered the Board's budget, and Chairman Martin suggested that the Reserve Bank budgets be taken up at a meeting during the week beginning November 17, having in mind that the Board's budget would also be taken up for consideration as soon after that time as possible.

Following the discussion, it was agreed unanimously that (1) the procedure outlined in the memorandum should be followed in handling the 1953 Reserve Bank budgets and (2) the budgets would be considered by the Board at a meeting during the week beginning November 17, 1952.

At this point Messrs. Myrick, Farrell, and Massey withdrew from the meeting.

Governor Evans stated that following an informal suggestion made at an earlier meeting of the Board, an estimate had been obtained covering the

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cost of replacing the venetian blinds at the windows in the Board Room with casement-type curtains, that the estimated total was \$712.80, and that it was a matter for the Board to decide since he was presenting the estimate without recommendation.

There followed a brief discussion during which most of the members of the Board questioned the desirability of changing the blinds for curtains and it was agreed that no action would be taken with respect to the matter at this time.

The meeting then recessed and reconvened in the Special Library at 3 p.m. with the same attendance as at the close of the morning session and, in addition, Mr. Carpenter, Secretary, Mr. Thurston, Assistant to the Board, and Mr. Riefler, Assistant to the Chairman were present.

Before this session there had been distributed to the members of the Board a memorandum of topics to be discussed at the joint meeting of the Board and the Federal Advisory Council to be held tomorrow at 10 a.m. The matters were discussed and it was agreed that Chairman Martin would present the views of the Board at the joint meeting substantially as recorded in the minutes of that meeting.

The following additional actions were taken by the Board:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on September 26, 1952, were approved unanimously.

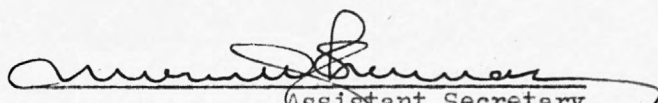
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Reserve System with the Presidents of the Federal Reserve Banks held on September 26, 1952, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on September 29, September 30, October 1, and October 3, 1952, were approved and the actions recorded therein were ratified unanimously.

  
Assistant Secretary.