

1/19/53 Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, January 19, 1953. The Board met in executive session in the Board Room at 10:00 a.m.

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

Following the executive session, the Chairman informed the Secretary that unanimous approval had been given to a request by Mr. Young, Director, Division of Research and Statistics, for authorization to travel to New York, New York, on January 22-23, 1953, to attend a meeting of the Policy Committee of the Committee for Economic Development to discuss a draft statement on credit and monetary policy, to attend a dinner to be tendered by the Committee for Economic Development in honor of Mr. Marion B. Folsom, and to attend a meeting of a subcommittee of the Committee for Economic Development to discuss tax and budgetary policy for the fiscal year 1954.

The meeting then adjourned. During the day the following additional actions were taken by the Board, with all of the members

Present:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on January 16, 1953, were approved unanimously.

Telegram to Mr. Erickson, President, Federal Reserve Bank of Boston, reading as follows:

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"Reurtel January 19, Board approves effective January 20, 1953, rates of 2 per cent on discounts and advances to member banks under Sections 13 and 13a; 2-1/2 per cent on advances under Section 10(b); 3 per cent on advances to individuals, partnerships or corporations other than member banks under last paragraph of Section 13; and 3 to 5-1/2 per cent on loans under Section 13b direct to industrial or commercial businesses, including loans made in participation with financing institutions. Otherwise, Board approves establishment, without change, of rates of discount and purchase in Bank's existing schedule. Board will announce change in discount rate immediately."

Approved unanimously.

Memorandum dated January 12, 1953, from Mr. Sloan, Director, Division of Examinations, recommending the appointment of Alexander S. Barnes as Assistant Federal Reserve Examiner in that Division, on a temporary-indefinite basis, with basic salary at the rate of \$3,795 per annum, and with official headquarters in Washington, D. C., effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination and subject to the completion of a satisfactory employment investigation.

Approved unanimously.

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

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"Reference is made to your letter of January 9, 1953, requesting the Board's approval of the payment of salary to Mr. Edmund J. McMullen.

"Subject to the approval by the Board of Governors of the appointment of Mr. McMullen as an Assistant Examiner for the Federal Reserve Bank of New York, the Board approves for a period of not exceeding one year from January 8, 1953, the payment of salary to Mr. McMullen, while serving in such position, at his present rate of \$5,391 per annum, which is \$291 in excess of the maximum established for the grade in which the position is classified."

Approved unanimously.

Letter to Mr. Meyer, Vice President, Federal Reserve Bank of Chicago, reading as follows:

"In view of the circumstances described in your letter of January 9, 1953, the Board of Governors approves the payment of salary to the following employees, effective as of November 1, 1952:

<u>Name</u>	<u>Dept.</u>	<u>Job</u>	<u>Proposed</u>	<u>Proposed</u>	<u>Equiv. Grade</u>
		<u>Grade</u>	<u>Ann. Sal.</u>	<u>Annual Salary</u>	<u>Maximum</u>
Gwynar, Ignacy	66	6	\$4,712.24	\$4,098	\$3,940
Ukinski, Stanley A.	66	6	\$4,712.24	\$4,098	\$3,940

"The Board notes that these salaries exceed the maximum established for the grade in which they are classified, and are based on a 44 hour week, 40 hours at straight time and 4 hours at one and one-half times the hourly rate."

Approved unanimously.

Letter for the signature of the Chairman to Mr. Johns, President, Federal Reserve Bank of St. Louis, reading as follows:

"Due to a series of unrelated developments, the Board has recently lost three of the economists employed in the

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"Banking Section of its Division of Research and Statistics. We are moving as expeditiously as possible to fill these vacancies with qualified men but, as you know, the recruiting of the caliber of person we want here does require some time.

"Both to help us over the heavy load of work which we anticipate in the next month or two and also to provide him with some experience in working with the economic staff here at the Board, it occurred to us that it might be possible for you to loan us the services of Mr. William J. Abbott, Jr., the Director of your Research Department, for thirty days, beginning about the first of February. The Board would be prepared to reimburse you for Mr. Abbott's salary and expenses for that period, if you so desire, but in view of the relatively short duration of the assignment you may prefer to handle it on a nonreimbursable basis.

"If you or Mr. Deming or Mr. Abbott would like any further information before reaching a decision in the matter, I suggest that you get in touch with Mr. Young."

Approved unanimously.

Letter to the Board of Directors, The Hartford-Connecticut Trust Company, Hartford, Connecticut, reading as follows:

"Pursuant to your request submitted through the Federal Reserve Bank of Boston, the Board of Governors approves the establishment and operation of a branch at Danielson, Connecticut, by The Hartford-Connecticut Trust Company, Hartford, Connecticut, provided the merger of The Hartford-Connecticut Trust Company with Windham County National Bank of Danielson, Danielson, Connecticut is effected substantially as proposed, and prior formal approval of the State authorities is obtained."

Approved unanimously, for transmittal through the Federal Reserve Bank of Boston.

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Letter to Mr. Gentry, First Vice President, Federal Reserve Bank of Dallas, reading as follows:

"This refers to your letter of December 29 and to Mr. Leonard's recent conversation with you at Pittsburgh regarding a preparedness program for the storage of currency.

"The program calls for the build up of substantial reserve supplies of dollar bills, and the further accumulation of unfit \$1 bills is being considered by the Treasury as a temporary expedient.

"From the information you have furnished it would seem that to participate fully in the program additional storage facilities would be required regardless of whether the supplies would consist of unfit bills or of new bills. It would seem appropriate, therefore, for you to proceed with preparations to make the record vault suitable for the storage of dollar bills. It is noted that you contemplate that the expense involved would be approximately \$5,000 to \$6,000."

Approved unanimously.

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

"This refers to our letter of August 15, 1952, requesting that a supplemental order for printing 45,000,000 sheets of Federal Reserve notes during the fiscal year ending June 30, 1953, be placed with the Bureau of Engraving and Printing. It is respectfully requested that 31,030,000 sheets of this total be allocated in the amounts and denominations stated for the following Federal Reserve Banks:

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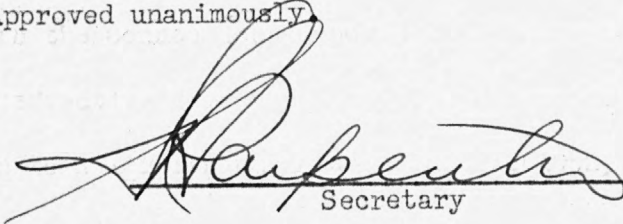
	<u>"Denomi nations</u>	<u>Number of sheets</u>	<u>Amount</u>
Boston	\$ 5	400,000	\$24,000,000
	10	1,325,000	159,000,000
	20	175,000	42,000,000
	50	10,000	6,000,000
	100	15,000	18,000,000
New York	5	850,000	51,000,000
	10	4,800,000	576,000,000
	20	1,450,000	348,000,000
	50	110,000	66,000,000
	100	85,000	102,000,000
Philadelphia	5	550,000	33,000,000
	10	1,425,000	171,000,000
	20	475,000	114,000,000
	50	35,000	21,000,000
	100	20,000	24,000,000
Cleveland	5	500,000	30,000,000
	10	1,250,000	150,000,000
	20	450,000	108,000,000
	50	50,000	30,000,000
	100	20,000	24,000,000
Richmond	5	550,000	33,000,000
	10	675,000	81,000,000
	20	675,000	162,000,000
	50	45,000	27,000,000
	100	25,000	30,000,000
Atlanta	5	550,000	33,000,000
	10	625,000	75,000,000
	20	550,000	132,000,000
Chicago	5	1,150,000	69,000,000
	10	3,125,000	375,000,000
	20	1,125,000	270,000,000
	50	75,000	45,000,000
	100	60,000	72,000,000

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	<u>"Denomi- nations</u>	<u>Number of sheets</u>	<u>Amount</u>
St. Louis	\$ 5	550,000	\$ 33,000,000
	10	900,000	108,000,000
	20	500,000	120,000,000
	50	25,000	15,000,000
	100	30,000	36,000,000
Minneapolis	5	150,000	9,000,000
	10	225,000	27,000,000
	20	175,000	42,000,000
	50	5,000	3,000,000
	100	10,000	12,000,000
Kansas City	5	250,000	15,000,000
	10	375,000	45,000,000
	20	275,000	66,000,000
	50	15,000	9,000,000
	100	20,000	24,000,000
Dallas	5	350,000	21,000,000
	10	525,000	63,000,000
	20	350,000	84,000,000
	50	15,000	9,000,000
	100	25,000	30,000,000
San Francisco	5	800,000	48,000,000
	10	1,300,000	156,000,000
	20	875,000	210,000,000
	50	30,000	18,000,000
	100	30,000	36,000,000
Totals	\$ 5	6,650,000	\$ 399,000,000
	10	16,550,000	1,986,000,000
	20	7,075,000	1,698,000,000
	50	415,000	249,000,000
	100	340,000	408,000,000"

Approved unanimously.



Secretary