

3/18/53 Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, March 18, 1953. The Board met in the Board Room at 10:00 a.m.

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

Mr. Carpenter, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Allen, Director, Division of
Personnel Administration

There was presented a request that Lowell Myrick, Assistant Director of the Division of Bank Operations, be authorized to travel to Cleveland, Ohio, on March 23-24, 1953, to attend, at the request of the Chairman of the Subcommittee on Cash, Leased Wire, and Sundry Operations of the Presidents' Conference, a meeting with Treasury representatives to review the present Federal Reserve currency operations as part of a study suggested by the Presidents' Conference to determine whether it would be feasible and more economical to the Government as a whole to have the Reserve Banks redeem and destroy currency instead of shipping it to Washington for verification, redemption, and destruction.

Approved unanimously.

Pursuant to the understanding at the meeting yesterday, further consideration was given to the report of the Special Committee on Officers' Salary Administration concerning the proposed plan for fixing and approving salaries of Reserve Bank officers below the rank of First Vice President.

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Following a discussion, the plan of officers' salary administration as outlined in the Special Committee's report was approved unanimously and it was understood that the letters of transmittal to the Chairmen and Presidents of the Federal Reserve Banks would be sent under today's date by Governor Szymczak, as Chairman of the Special Committee.

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on March 17, 1953, were approved unanimously.

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

"The Board of Governors approves the payment of salary to Mr. L. Merle Hostetler as an Assistant Vice President of the Federal Reserve Bank of Cleveland for the period March 12, 1953, through June 30, 1953, at his present rate of \$10,500 per annum, which is the rate fixed by the Board of Directors as indicated in your telegram of March 12."

Approved unanimously.

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

"In accordance with the request contained in your letter of March 11, 1953, the Board of Governors extends to June 23, 1953, the time within which The Detroit Bank, Detroit, Michigan,

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"may establish a branch at 1553 Woodward Avenue in the city of Detroit, Michigan, under the approval given by the Board in its letter of September 23, 1952."

Approved unanimously.

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

"In accordance with the request contained in your letter of March 12, 1953, the Board of Governors extends to September 23, 1953, the time within which The Detroit Bank, Detroit, Michigan, may establish a branch at Eight Mile Road, West, near Greenfield Avenue in the city of Detroit, Michigan, under the approval given by the Board in its letter of September 23, 1952."

Approved unanimously.

Telegrams to Messrs. Sproul and Young, Presidents of the Federal Reserve Banks of New York and Chicago, respectively, reading as follows:

"Please compile data listed below for member banks accounting for bulk of daily average borrowings (say 75 per cent or so) from your Bank beginning October of last year. Have separate sheet for each bank headed with its name and location and reserve classification, and arrange tabulations with following columnar captions:

Reserve computation period ended (date)

Average required reserves

Average borrowings

Ratio of borrowings to required reserves

"Include all semi-monthly and weekly reserve computation periods beginning after September 30. Include borrowings during semi-monthly period ending March 15 and weekly period ending March 18 even if required reserves for such periods are not available. In addition to figures by reserve periods, please show average borrowings and average required reserves for entire period of approximately 5 or 5-1/2 months for which both items are available.

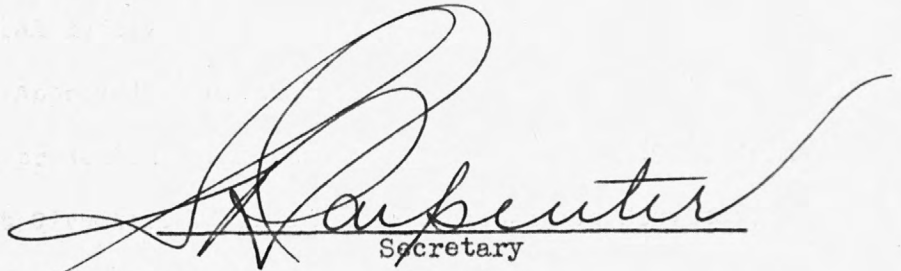
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"Ratio column need not be computed for each reserve period if that would delay forwarding of tabulations; in any event, however, this ratio should be computed for the entire 5 or 5-1/2 month period for which both borrowings and required reserves are available.

"If more than 15 banks are necessary to account for bulk of borrowings, limit list preferably to maximum of 20 banks, with explanation of coverage of borrowings. Include in the list at least one or two of largest borrowing reserve city and country banks even if their borrowings are relatively small.

"Please tabulate largest borrowers first and forward any available sheets to arrive Monday; continue daily mailings next week until complete. Worksheets or photostats thereof satisfactory."

Approved unanimously, together with similar telegrams to the Presidents of all other Federal Reserve Banks.


Secretary