

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, April 15, 1953. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board
Mr. Leonard, Director, Division of Bank Operations
Mr. Cherry, Legislative Counsel

Chairman Martin reported on conversations which he and Mr. Cherry had yesterday with Senator Bricker, Chairman of the Subcommittee on Federal Reserve Matters of the Senate Banking and Currency Committee, and Representative Wolcott, Chairman of the House Banking and Currency Committee, regarding a proposal to amend the ninth paragraph of section 10 of the Federal Reserve Act by increasing from \$10 million to \$30 million the limitation on the aggregate of "building proper" costs which may be incurred by all Federal Reserve Banks for branch bank buildings subsequent to July 30, 1947. Following their conversation with Senator Bricker, Chairman Martin said, the Senator introduced a bill to that effect (S. 1631), while Representative Wolcott indicated that he would

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introduce a similar bill today.

During a discussion of the matter, Mr. Leonard described why the costs of branch building construction do not affect materially the current earnings of the Federal Reserve Banks and, therefore, do not reduce substantially the quarterly interest payments made by the Banks to the Treasury.

Chairman Martin suggested that Mr. Leonard prepare a brief memorandum covering this point for possible use if the question should be raised. He also stated that according to present plans a hearing on the proposed legislation would be held next Monday, April 20, before the House Banking and Currency Committee.

Mr. Leonard then withdrew and Mr. Vest, General Counsel, entered the room.

Chairman Martin stated that he received a visit yesterday from Messrs. Harry J. Harding, President of the Independent Bankers Association of the Twelfth Federal Reserve District, and Ben DuBois, Secretary of the Independent Bankers Association, who inquired whether they might appear before the Board to present their views on proposed bank holding company legislation, and that he told them that he would take the matter up with the other members of the Board. While this raised a question, Chairman Martin said, as to what the position of the Board should be, in

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the light of the fact that other groups might request a similar privilege from time to time, it was his feeling, after giving some thought to the matter, that it might be a good idea for those members of the Board who were available to meet with Messrs. Harding and DuBois informally and give them an opportunity to present their views.

Following a discussion, during which Governor Robertson said that he would attend such a meeting only if it were understood that it was solely for the purpose of permitting Messrs. Harding and DuBois to offer their views and that it was not for the purpose of engaging in a debate which might afford them an opportunity to say that the Board was divided in its opinion on the matter, Chairman Martin suggested that an informal meeting with Messrs. Harding and DuBois be held at 3:30 o'clock this afternoon. He pointed out that in consenting to the meeting the Board would not be establishing a precedent since it had met with a number of banker groups from time to time in the past concerning various matters.

In accordance with Chairman Martin's suggestion, it was agreed unanimously that the available members of the Board would meet informally with Messrs. Harding and DuBois this afternoon.

The meeting then adjourned. During the day the following additional action was taken by the Board with all of the members present:

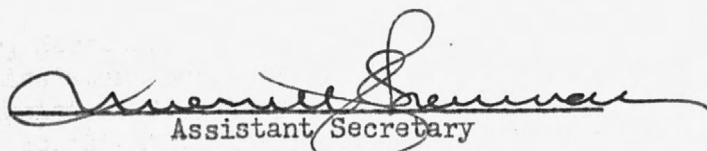
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Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 14, 1953, were approved unanimously.

PRESENT: Mr. Martin, Chairman
Mr. Boardman
Mr. Evans
Mr. Friedman
Mr. Lull
Mr. Robertson

Mr. Carpenter, Secretary
Mr. Shuman
Mr. Tamm
Mr. Thurston
Mr. Vest
Mr. Hickley
Mr. Gandy, Secretary


Assistant Secretary

Governor Robertson stated that he had received

George Evans in office of the Federal Reserve

assigned to Clarence A. Bental, Secretary of

Bank of America Corporation, who was president

of the Federal Reserve Bank of Chicago, and

Corporation to discuss the resolution of

of Chicago, Illinois, against which the

Section 9 of the Federal Reserve Act

concluded that Mr. Bental, who was

of the State member bank, which

that the Board would discuss the