

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, April 21, 1953. The Board met in the Board Room at 10:00 a.m.

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

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. Marget, Director, Division of International Finance  
Mr. Solomon, Assistant General Counsel  
Mr. Dembitz, Assistant Director, Division of International Finance  
Mr. Cherry, Legislative Counsel

The following request for travel authorization was presented:

<u>Name and Title</u>	<u>Duration of Travel</u>
Susan S. Burr, Assistant Director, Division of Research and Statistics	June 27 - July 2, 1953

To travel to Athens, Ohio, to conduct sessions on Savings and Capital Formation and The Federal Reserve System at the Ohio Workshop on Economic Education, to be held at Ohio University, and to travel from there to Nashville, Tennessee, to conduct sessions on the same subjects at the Tennessee Workshop on Economic Education, to be held at Belmont College.

Approved unanimously.

Mr. Cherry presented a report on legislative developments of interest to the Board during which he stated that Senator Maybank, of South Carolina, had introduced an amendment to Bill S. 1081, to provide

4/21/53

-2-

authority for temporary economic controls, which would prohibit the imposition of controls over consumer and real estate construction credit pursuant to Title VI of the bill unless the President found and declared under section 801 thereof that a grave national emergency existed and established ceilings on prices, wages, and rents pursuant to the authority given by that section. Mr. Cherry said it was difficult to predict when Bill S. 1081 would come up in the Senate due to current debate on the tidelands oil bill. In addition, he understood that Congressman Wolcott, Chairman of the House Banking and Currency Committee, was preparing to report out a bill providing for rent controls and hoped to have consideration of that bill by the House this week. Should the House pass the latter bill, Mr. Cherry said, it appeared that Congressman Wolcott would take the position that that was the only legislation which was necessary at this time.

In the course of further comments, Mr. Cherry referred to a request received by the Board from the Senate Banking and Currency Committee for a report on Bill S. 1631, introduced by Senator Bricker, of Ohio, which would amend section 10 of the Federal Reserve Act to provide increased authority for the construction of Federal Reserve Bank branch buildings. He understood that no other agency had been asked for its views on this bill, and he proposed to send to the Clerk of the Committee copies of the statement on branch buildings which was handed to Senator Bricker by Chairman Martin with the thought that if this were done, there would be no need to

4/21/53

-3-

make a reply to the letter from the Committee. Mr. Cherry went on to say that it was expected that there would be hearing on this matter before the House Banking and Currency Committee sometime next week.

Mr. Cherry also stated that the Clerk of the Senate Banking and Currency Committee had informed him yesterday that no definite date had been set for the beginning of hearings on bank holding company legislation.

Mr. Cherry then withdrew from the meeting.

At the request of Chairman Martin, Mr. Marget presented a brief review of certain international financial developments, commenting principally on recent and prospective international gold and dollar movements and the budget recently submitted by the British Chancellor of the Exchequer.

The members of the staff then withdrew and the Board went into executive session.

Following the executive session Chairman Martin informed the Secretary that the Board had agreed that one member of the senior staff should be selected by the Chairman to represent the staff at the opening of the new Federal Reserve Bank of Boston building in May.

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 20, 1953, were approved unanimously.

4/21/53

Letter to Mr. Virden, Chairman and Federal Reserve Agent, Federal

Reserve Bank of Cleveland, reading as follows:

"In accordance with the request contained in your letter of April 10, 1953, the Board of Governors approves the payment of salaries to the following members of the Federal Reserve Agent's staff at the rates indicated, effective April 26, 1953.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
<u>Head Office</u>		
Norman R. Matter	Assistant Federal Reserve Agent	\$5,252
Edison F. Peck	Alternate Assistant Federal Reserve Agent	4,888
Roy M. Trout	Alternate Assistant Federal Reserve Agent	5,967
<u>Cincinnati Branch</u>		
Wm. Howard Marsh	Federal Reserve Agent's Representative	6,370
Harry H. Ostendorf	Federal Reserve Agent's Representative	6,162
<u>Pittsburgh Branch</u>		
Wm. J. Cosgrove	Federal Reserve Agent's Representative	5,044
Gordon M. Trowbridge	Federal Reserve Agent's Representative	5,278"

Approved unanimously.

Letter to the Federal Deposit Insurance Corporation, Washington,

D. C., reading as follows:

"Pursuant to the provisions of section 4(b) of the Federal Deposit Insurance Act, the Board of Governors of the Federal Reserve System hereby certifies that The Citizens Bank, Batesville, Arkansas, became a member of the Federal Reserve System on April 15, 1953, and is now a member of the System. The Board of Governors of the Federal Reserve System further hereby certifies that, in connection with the admission of such bank to membership in the Federal Reserve



4/21/53

-5-

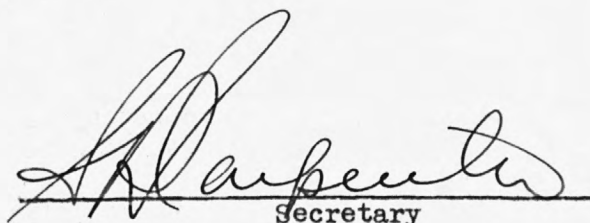
"System, consideration was given to the following factors enumerated in section 6 of the Federal Deposit Insurance Act:

1. The financial history and condition of the bank,
2. The adequacy of its capital structure,
3. Its future earnings prospects,
4. The general character of its management,
5. The convenience and needs of the community to be served by the bank, and
6. Whether or not its corporate powers are consistent with the purposes of the Federal Deposit Insurance Act."

Approved unanimously.

Mr. Carpenter reported that the Comptroller of the Currency would issue a call on April 23, 1953, on all national banks for reports of condition as of the close of business on April 20, 1953, and that, in accordance with the usual practice and the Board's letter of April 17, 1953, a call would be made on April 23 on behalf of the Board of Governors of the Federal Reserve System on all State member banks for reports of condition as of April 20, 1953.

The call to be made on behalf of the Board on April 23, 1953, was approved unanimously.

  
Secretary