

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, May 1, 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. 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. Vest, General Counsel
 Mr. Young, Director, Division of Research and Statistics
 Mr. Williams, Assistant Director, Division of Research and Statistics
 Mr. Youngdahl, Assistant Director, Division of Research and Statistics
 Mr. Leach, Chief, Government Finance Section, Division of Research and Statistics

At the suggestion of the Chairman there was an informal discussion of prospective business conditions, developments in the money market, and the course which System monetary and credit policy might take in the period immediately ahead.

There were presented telegrams to the Federal Reserve Banks of Boston, St. Louis, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of Boston on April 27, by the Federal Reserve Bank of San Francisco on April 28, and by the Federal Reserve Bank of St. Louis today of

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the rates of discount and purchase in their existing schedules.

Approved unanimously.

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 April 30, 1953, were approved unanimously.

Letter to Mr. Millard, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

"Reference is made to your letter of April 22, 1953, submitting the request of Portland Trust Bank, Portland, Oregon, for the Board's approval of an additional investment in bank premises of \$25,000 to cover the cost of installing air conditioning and sprinkler systems, such approval being necessary because the bank's present investment in bank premises, including the first mortgage thereon, exceeds its outstanding capital stock by the amount of \$32,695.41.

"In view of the information supplied in your letter and your favorable recommendation, the Board of Governors approves an additional investment in bank premises, not to exceed \$25,000, by Portland Trust Bank, Portland, Oregon."

Approved unanimously.

Letter to Mr. Williams, President, Federal Reserve Bank of Philadelphia, reading as follows:

"This refers to your letter of April 8, 1953, reviewing the program of the building alterations at the Federal Reserve Bank of Philadelphia, explaining changes in specifications in the original plans, and asking the Board's approval of the resulting increase in costs.

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"It is noted that the contract awarded to John McShain, Inc., in the original amount of \$1,666,200 was subsequently revised upward by \$266,850 because the drawings and specifications available when bids were requested were not in complete form. This situation was apparently the reason why only two contractors were willing to submit bids on the 'guaranteed maximum cost plus fixed fee' proposal. However, you state that you were satisfied with the fairness of the revised bid by reason of the fact that all proposals put out to subcontractors were on a bid basis and that you examined their bids and approved the final awards. You also state that you are confident the Bank has secured the lowest possible cost performance; in addition to which the fee of the general contractor of \$50,000 has not changed.

"In view of the circumstances as outlined in your letter, the Board authorizes the total expenditure of approximately \$2,300,000, which is an increase of \$200,000 over the amount authorized in the Board's letter of January 9, 1952."

Approved unanimously.

Telegram to Mr. Earhart, President, Federal Reserve Bank of San Francisco, reading as follows:

"Reurtel April 30 regarding Public Loan Corporation, it will be appreciated if your bank will render the requested assistance to the United States Attorney. However, entire responsibility for the conduct of the proceedings now rests with the Department of Justice and therefore your counsel will probably not be requested to present the oral argument. If we can be of any assistance please have your counsel call upon us."

Approved unanimously.

Memorandum dated April 27, 1953, from Mr. Carpenter, Secretary of the Board, proposing that the executive directors and certain

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members of the staff of the International Monetary Fund be invited to visit the Board's offices for a review of economic conditions, followed by lunch, on Friday, May 15, 1953.

Approved unanimously.



Secretary