

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, May 11, 1953. The Board met in the Board Room at 10:35 a.m.

PRESENT: Mr. Evans, Acting Chairman
Mr. Vardaman
Mr. Mills
Mr. Robertson

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board
Mr. Vest, General Counsel
Mr. Cherry, Legislative Counsel

Mr. Cherry read the text of a press release issued today by Senator Murray, of Montana, and Representative Patman, of Texas, announcing the intention of a group of 20 Senators and Representatives to introduce today in both Houses of Congress a resolution which would require the Federal Reserve System to support Government securities at par. The text of the resolution also was read by Mr. Cherry.

Following a discussion, it was understood that copies of the press statement and resolution would be sent to each member of the Board and to the Presidents of all Federal Reserve Banks. It was also agreed that, should Chairman Martin wish, the matter might be discussed at the meeting of the Board with the Federal Advisory Council scheduled for May 19, 1953.

5/11/53

-2-

Mr. Cherry then commented briefly on legislation of interest to the Federal Reserve System now pending before the Congress, after which he withdrew from the meeting.

The following requests for travel authorization were presented:

<u>Name and Title</u>	<u>Duration of Travel</u>
Woodlief Thomas, Economic Adviser to the Board	May 12-16, 1953

To travel to White Sulphur Springs, West Virginia, to attend the spring meeting of the Investment Bankers Association of America.

Guy E. Noyes, Assistant Director, Division of Research and Statistics	May 10-11, 1953
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To travel to Chicago, Illinois, to participate in a meeting of the working group studying the collateral effects of consumer credit regulation.

Guy E. Noyes, Assistant Director, Division of Research and Statistics	July 5-29, 1953 (approximate dates)
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To visit the research departments of the Federal Reserve Banks of St. Louis and Kansas City in accordance with the program approved by the Board on March 17, 1953. The request stated that Mr. Noyes would be on annual leave for about ten days during the period mentioned.

Susan S. Burr, Assistant Director, Division of Research and Statistics	May 15, 1953
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To attend a meeting of the ad hoc subcommittee on the "resource unit" of the System Committee on Education and Publications, to be held at the Federal Reserve Bank of New York.

Kenneth A. Kenyon, Assistant Secretary	May 12, 1953
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To travel to Richmond, Virginia, to complete arrangements for the safekeeping of copies of Board minutes at the Federal Reserve Bank of Richmond pursuant to the plan for relocation of Board operations in an emergency approved by the Board on April 1, 1953.

Approved unanimously.

5/11/53

-3-

At the request of the Acting Chairman, there was a brief discussion of the plans being made for an economic presentation to be given for the trustees of the Committee for Economic Development in the Board Room at 10:00 a.m. on May 14, 1953.

At this point Mr. Cherry returned to the meeting.

Mr. Cherry stated that he had just received a telephone call from a member of the staff of the Republican Policy Committee of the Senate, who said that Senator Millikin of Colorado, a member of the Policy Committee and Chairman of the Senate Finance Committee, had asked him to get in touch with the Treasury Department, the Federal Reserve Board, the Housing and Home Finance Agency, and the Veterans Administration with a view to providing Senator Millikin by Wednesday of this week material which might be used in preparing an answer to the resolution referred to earlier in this meeting which Senator Murray and Representative Patman proposed to introduce.

Following a discussion, it was understood that, preliminary to a discussion of the matter with Chairman Martin, the staff would consider what factual material might be supplied in response to the above request.

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

5/11/53

-4-

Minutes of actions taken by the Board of Governors of the Federal Reserve System on May 8, 1953, were approved unanimously.


Memorandum dated May 7, 1953, from Mr. Bethea, Director, Division of Administrative Services, recommending that the resignation of Edna K. Simmons, Charwoman in that Division, be accepted, effective as of the close of business April 28, 1953.

Approved unanimously.

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

"In accordance with the request contained in your letter of May 5, 1953, the Board approves the designation of Paul M. Brady as a special assistant examiner for the Federal Reserve Bank of New York."

Approved unanimously.



Secretary