

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, September 16, 1953. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Young, Director, Division of
Research and Statistics
Mr. Johnson, Controller

Chairman Martin stated that arrangements were being made for an economic presentation on September 29, 1953, for a group of approximately 15 newly-appointed State directors of the Treasury's savings bond program who would be meeting in Washington for briefing in connection with the savings bond campaign. In view of the purpose of the meeting, he suggested that it might be desirable to entertain the group at luncheon in the staff dining room before the economic presentation was given. Chairman Martin brought out that no precedent would be established.

Chairman Martin's suggestion was approved unanimously.

There was presented a request that Mr. Allen, Director, Division of Personnel Administration, be authorized to travel to New York, New York, on September 24 and 25, 1953, to attend a meeting of the Retirement Committee of the Retirement System of the Federal Reserve Banks to be held

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at the Federal Reserve Bank of New York.

Approved unanimously.

There was presented a memorandum dated September 15, 1953, from Mr. Marget, Director, Division of International Finance, requesting permission to make brief visits to England, Denmark, and Switzerland, and perhaps France and Germany, during the course of his assignment in Austria for the Foreign Operations Administration and the Federal Government of Austria (approved by the Board on August 7, 1953) in order that he might discuss matters of current interest with central bankers and other financial leaders.

Approved unanimously, with the understanding that no transportation expense to the Board would be involved but that the Board would pay Mr. Marget a per diem in lieu of subsistence at the appropriate rates specified in the standardized Government travel regulations covering the time spent in making the visits for which permission was requested.

Governor Vardaman commented on the functions of the Division of International Finance, stating that he questioned whether the value of the Division's work to the Board was sufficient to warrant the expense involved in maintaining the Division. He also questioned the advisability of the Director of the Division being away from his desk for as long a period as that involved in Mr. Marget's assignment for the Foreign Operations Administration and the Austrian Government (approximately two months, beginning about October 1, 1953).

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In the course of a brief discussion concerning the points raised by Governor Vardaman, it was noted that Governor Mills had been requested at the meeting on June 26, 1953, to review the work of the Division of International Finance and that the Board's Controller would, of course, review the expenditures of the Division in the course of his regular duties.

Governor Vardaman then referred to a memorandum which he had sent to the other members of the Board under date of September 15, 1953, concerning investigations as to financial responsibility of prospective prime contractors which the Department of the Air Force had inquired whether the Federal Reserve Banks could make, on a reimbursable basis, in Brigadier General Farnsworth's letter to Governor Vardaman dated August 31, 1953. The matter had been given preliminary consideration at the meeting of the Board on September 10, 1953.

Governor Vardaman's memorandum stated that since any commitment along this line might eventually involve similar commitments to all the armed services, as well as General Services Administration and perhaps other Government departments, it had been thought advisable to discuss the problem in detail with the Department of Defense. Accordingly, Governor Vardaman had referred the question to Mr. W. J. McNeil, Assistant Secretary of Defense, and Mr. McNeil had requested that the Board not commit itself on this matter until it had heard from him, stating that he wanted to discuss the matter with Secretary of Defense Wilson. Governor Vardaman's memorandum

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also stated that the question would be referred to the Presidents' Conference for discussion, and that the Air Materiel Command would be advised that the Department of Defense had taken cognizance of the question and that there would be no reply to Brigadier General Farnsworth's letter until such time as some understanding had been reached with the Department of Defense and with other departments of the Government potentially involved.

In commenting on the matter, Governor Vardaman pointed out that the nature of the investigations which the Department of the Air Force contemplated that the Federal Reserve Banks might make was such that the cost would be high. In all the circumstances, he felt that the Board should not accede to the request without very careful consideration.

Prior to this meeting there had been circulated among the members of the Board a memorandum dated August 25, 1953, from Mr. Carpenter, Secretary of the Board, raising the question whether the Board wished to send holiday greeting cards, as it had done in 1951 and 1952, to heads of foreign central banks, Federal Reserve Bank and branch directors, members of the Federal Advisory Council, and Presidents of the Federal Reserve Banks. The memorandum recommended that arrangements be authorized to obtain an appropriate number of cards, using some modification of the card which was distributed in 1951, provided that the Board wished to continue the practice.

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Governor Vardaman had requested that the matter be discussed at a meeting of the Board. He now stated that there was some doubt in his mind as to whether the expense of sending the cards was warranted, that if anything was to be done he would have some preference for personal letters signed by the Chairman, but that if the other members of the Board felt that the practice of sending cards should be continued, he would not vote against it.

In a discussion which followed, Chairman Martin pointed out that the practice of sending one card on behalf of the members of the Board eliminated the necessity for the individual members to send their own cards or letters. He also felt that it was particularly desirable for the Board to recognize the services of the Federal Reserve Bank and branch directors in this way.

The other members of the Board indicated that their views were similar to those expressed by Chairman Martin and that they would favor a card of the type sent by the Board in 1951. In this connection, Governor Robertson suggested that consideration be given to whether the cards to the directors might be made more personal without, of course, unduly increasing the expense involved.

Thereupon, it was agreed unanimously that the practice of sending holiday greeting cards from the members of the Board to the persons

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mentioned above should be continued this year, with the understanding that the Board preferred a card of the type sent in 1951 and that the style of the card should be considered by Mr. Molony, along with Mr. Thurston, Assistant to the Board, in the light of Governor Robertson's suggestion.

At this point Messrs. Boothe, Administrator, Office of Defense Loans; Solomon and Hackley, Assistant General Counsel; and Molony, Assistant to Mr. Thurston, entered the room.

Prior to this meeting there had been sent to the members of the Board copies of a memorandum from Mr. Boothe dated August 31, 1953, in which Mr. Boothe reported having been advised by Mr. P. W. Jordan, Director, Credit and Finance Division, General Services Administration, that an executive order was in process of preparation for the signature of the President of the United States transferring to General Services Administration the authority heretofore vested in the Reconstruction Finance Corporation to make guarantees, loans, and commitments under the provisions of section 302 of the Defense Production Act of 1950, as amended. (The President was required under the provisions of the Act providing for the liquidation of the Reconstruction Finance Corporation to delegate this authority to some other agency of the Government not later than September 28, 1953.) Mr. Boothe's memorandum stated that both Mr. Jordan and Mr. Max Medley, Comptroller of General Services Administration, believed that

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the most effective plan of operation would be to have the Federal Reserve Banks act as fiscal agents of the United States on behalf of the Administrator of General Services and under the supervision of the Board of Governors of the Federal Reserve System.

There had also been sent to the members of the Board copies of a memorandum dated September 15, 1953, from Mr. Hackley to Governor Vardaman reporting Mr. Hackley's telephone conversations with Mr. Byron Harding, an attorney for General Services Administration, concerning the proposed executive order mentioned in Mr. Boothe's memorandum.

In commenting on the matter at the request of the Chairman, Mr. Hackley said that according to Mr. Harding the proposed executive order had been received by General Services Administration from the Bureau of the Budget, and the Administration was preparing a reply which it expected to send on September 15 and which would suggest the inclusion of a paragraph that would call for the Federal Reserve Banks to act as fiscal agents at the request of the Administrator of General Services upon their designation by the Secretary of the Treasury pursuant to section 15 of the Federal Reserve Act. Mr. Hackley said he made it clear to Mr. Harding that the matter, which involved certain questions of policy, had not been considered by the Board, that Mr. Harding assured him that the letter to the Bureau of the Budget would contain no suggestion that the Federal Reserve System was committed in any way to the proposed utilization of the Federal

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Reserve Banks as agents of General Services Administration, and that agreement was reached informally on the following language for the paragraph proposed to be included in the letter:

Upon designation for such purpose by the Secretary of the Treasury pursuant to section 15 of the Federal Reserve Act, any Federal Reserve Bank is hereby authorized to act, at the request of the Administrator, as fiscal agent of the United States on behalf of the Administrator in performing the functions delegated by this section. All actions and operations of any such Federal Reserve Bank in acting as such fiscal agent shall be subject to the supervision of the Board of Governors of the Federal Reserve System.

Mr. Hackley said he gathered it was contemplated that the Reserve Banks would act in much the same way as under the V-loan program except that applications for loans would be screened by General Services Administration for determination whether they were reasonably acceptable before being submitted to the Federal Reserve Banks for credit investigations. He also mentioned that pursuant to the Defense Production Act, applications, before being considered, would have to be certified as to essentiality by the Office of Defense Mobilization.

Mr. Hackley brought out that the volume of applications might be quite small but that there was no way of knowing how extensive the program might become. He also stated that he supposed General Services Administration would propose to work out a fiscal agency agreement with the Federal Reserve Banks, as had been done in the past when the Banks were designated by the Secretary of the Treasury to act as fiscal agents

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of the Government for various purposes. He thought that undoubtedly there would be provisions regarding reimbursement for the Banks' services and provisions that the Reserve Banks' accountability would not extend beyond that of fiscal agents. Such agreements, he said, usually were worked out by the Committee on Fiscal Agency Operations of the Presidents' Conference and its Subcommittee of Counsel.

Mr. Boothe then summarized the information which he had received in conversations with representatives of General Services Administration regarding the proposal that the Reserve Banks act as fiscal agents. He also stated that he had talked informally to representatives of all but two of the Federal Reserve Banks and that they felt the job would not be unduly burdensome. Mr. Boothe said that if the applications were received in Washington, General Services Administration would be the agency to decide whether a loan would be made under section 301 or section 302 of the Defense Production Act, and that in talking with representatives of General Services Administration he told them he thought it would save time and money if the screening procedure were worked out so that applications received here were sent first to General Services Administration for clearance, including clearance with the Office of Defense Mobilization, before the Federal Reserve Banks undertook to process them. The Administration's representatives, he said, seemed to feel that this procedure would be satisfactory.

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Governor Vardaman stated that he had been in touch with Mr. Edmund F. Mansure, Administrator of General Services, and that he hoped to have a meeting this week with Mr. Mansure, to which he would invite any other members of the Board who might wish to participate along with appropriate members of the Board's staff. He said that he felt it desirable that the Board endeavor to have the executive order worded along the lines suggested by Mr. Hackley and that, above all, the Board should try to avoid having applications filed in the first instance with the Federal Reserve Banks. If the applications were screened first in Washington, Governor Vardaman said, that would reduce the workload at the Reserve Banks considerably and should relieve the Banks of any pressure which they might otherwise be under to recommend loans favorably.

A lengthy discussion of the matter ensued, and it was the consensus that the procedure for the handling of applications recommended by Governor Vardaman would be desirable. It was also the view of the Board that it would be undesirable for the Federal Reserve Banks to act in any other capacity than that of fiscal agents and that an effort should be made to avoid, if possible, having the Reserve Banks designated to liquidate the loans made by the Reconstruction Finance Corporation under section 302 which were currently outstanding. The members of the Board also were agreed that arrangements for performance of fiscal agency functions by the Federal Reserve Banks under this program should be worked out under the supervision of the Board of Governors.

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It was understood that Governor Vardaman and appropriate members of the staff would meet with representatives of General Services Administration for further consideration of the matter in the light of the views expressed by the Board at this meeting, and that Governor Vardaman would make a further report to the Board following such meeting.

Mr. Boothe then withdrew from the meeting.

Mr. Johnson discussed the Mid-Year Review of Budget Performance, a copy of which he had sent to each member of the Board previously. He also referred to a proposed revised statement of budgetary principles and procedure, a copy of which he had sent to each Board member with a covering memorandum dated September 11, 1953.

Mr. Johnson said that the revised statement of budgetary principles and procedure had been prepared after reviewing the budget procedure documents which the Bureau of the Budget sends to various agencies of the Government and the principles followed in preparing budgets of commercial concerns, and that the statement which he now presented for the approval of the Board included those parts of each which it was felt could be used to advantage.

Mr. Johnson pointed out that the revised statement of budgetary principles and procedure provided that the Controller should submit to the Board, by December 1, a consolidated budget for the Board's consideration and approval before the beginning of the budget year, but that no

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specific dates were provided for the submission of preliminary and final budgets by the various divisions since it was felt that circumstances might necessitate changes in these dates from year to year. This year he contemplated that the divisions would not be requested to submit their preliminary budgets until October 15 because of the transition to an accrual method of accounting recommended by Arthur Andersen & Co. and the consequent delay that would be involved in distributing certain expense figures to the respective divisions. Mr. Johnson said it was planned to have the divisions submit their budgets in final form by November 10, which would allow the Controller a sufficient time to analyze them and submit the consolidated budget to the Board by December 1.

Governor Vardaman said that there was a question in his mind whether the submission of the consolidated budget on December 1 would provide adequate time for the Board to review it and have any desired revisions made before the beginning of the budget year. He suggested that it might be desirable, if possible, for the Controller to present preliminary budget estimates to the Board by about November 16 so that if there were any adjustments which the Board wished to suggest, these might be taken into account by the Controller in preparing the consolidated budget.

There was agreement that the procedure suggested by Governor Vardaman would be desirable, but it was noted that the Controller was undertaking the preparation of the budget for the first time this year and that this

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might present certain difficulties. It was understood, however, that the Controller would give consideration to Governor Vardaman's suggestion and would make a preliminary presentation to the Board during November if that proved to be feasible.

In further comments, members of the Board expressed the view that budget matters should be considered by the Board as a whole so that individual Board members would not have responsibility for the budgets of particular divisions.

Thereupon, the statement of budgetary principles and procedure, reading as follows, was approved unanimously:

STATEMENT OF BUDGETARY PRINCIPLES AND PROCEDURE

It is necessary for every organization to do a certain amount of planning for the future, but looking forward often tends to be irregular and ineffectual unless it follows a definite, orderly procedure. A well devised and intelligently conceived budget provides the vehicle necessary to accomplish this objective. The following statement continues the Board's long-standing utilization of the budget for this purpose by setting forth the basic principles and procedure to apply currently to the budgetary process in the divisions and offices of the Board, superseding all previous such statements.

CONTROLLER

The Board, on August 6, 1953, acted to make the Controller responsible for (a) the formulation of the Board's budget, including presentation to the Board, for its consideration, of the proposed consolidated budget together with his recommendations and appropriate comments; and (b) the execution of the budget including periodic budget reports to the Board and to the various divisions.

The Controller shall be constantly alert to the necessity for changes in budgetary procedure, and shall initiate for Board approval

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the necessary revisions as circumstances require in order to maintain a coordinated program.

FORMULATION OF THE BUDGET

Proposed Form of Budget

Annually, the Controller shall prepare, for the approval of the Board, a proposed form of budget to be followed by the various divisions and offices of the Board (hereinafter described as "divisions") for the ensuing calendar year. This proposal will contain instructions for the preparation and submission of budget estimates for the forthcoming budget year, including the preliminary submission, review, and final submittal, as well as samples of the forms to be used and dates of submission.

Divisional Budget Representatives

Each division shall designate an Assistant Director or other qualified senior employee who shall be responsible for the preparation of the budget for his division, and who shall study the expenses of the division and effect all possible economies in expenditures consistent with the efficient discharge of the division's responsibilities. The budget representative so designated shall also work with the Controller in the analysis of division expenses both in connection with the preparation of the budget and in the review of expenses throughout the year.

Preliminary Information to Be Furnished Divisions

The Office of the Controller will supply budget representatives with such analyses of past operations as may be useful in preparing the budget.

Preparation of Divisional Budgets

The divisional budget should represent the best judgment of its staff as to the items and amounts required for the operation of the division for the ensuing year on an economical and efficient basis. It shall not be merely a target budget to be spent regardless, but shall be based on actual expectations and shall include only probable, as distinguished from possible, expenses.

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It will be the recognized responsibility of each division head to scrutinize carefully the proposed budget of his respective division to be absolutely certain that expense estimates are appropriate, necessary, and thoroughly justifiable, and that they are kept at the minimum that will effect the proper discharge of the division's authorized and essential functions. Full account shall be taken of possible savings as a result of improvements in work methods and procedures.

Budget for Personal Services

The size of the budget for personal services is determined primarily by the functions assigned to each division by the Board, and the Board has placed on the head of each division the responsibility for the maintenance of the necessary staff for these functions.

The preparation of a division budget for personal services, therefore, is primarily one of determination of the anticipated scope of the division's work during the coming budget year and the ascertainment of the personnel necessary to perform its assignments. This may call for consultation by the division head with other members of the staff and with certain of the Members of the Board.

If it is anticipated that there will be a change in the activities of the division calling for adjustments in the size of its staff during the ensuing year, the division head must determine, after consultation with others as may be necessary, what those changes should be and the qualifications for and probable classifications of any new positions thereby required in the division. It should be kept in mind that it is the policy of the Board, and the instructions to the staff provide, that each appointment to the Board's staff (including transfers from one division to another) shall be made only for the purpose of filling (1) a vacancy or (2) a new position authorized by the Board, and that any upgrading of positions anticipated for the budget year must be specifically justified.

Also, in arriving at the total provision for personal services in the division budget, carefully considered estimates should be made for all anticipated administrative increases. In addition,

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special meritorious salary increases, terminal leave payments, re-classifications, and premium pay, as well as the probable effect of lapses due to turnover in the staff and leave without pay, shall be included based on past experience and present knowledge.

By closely estimating staff requirements and salary trends, there is furnished to the Board in advance a reasonably accurate forecast of probable expenditures for personal services on the basis of the anticipated scope of the Board's activities.

Budget for Non-Personal Services

The amounts provided in the budgets of the various divisions for non-personal services should represent the actual requirements, other than for personal services, necessary for the division to carry its responsibilities in the Board's structure. These budget estimates should be prepared based upon past experience and future requirements, and should include the most economical means of accomplishing recognized objectives. Accepted standards should be followed in estimating expenses necessary to carry out the responsibilities of the division, including any guides and criteria prescribed in the annual budget instructions.

Budget estimates should not necessarily be considered as the amounts to be expended in each account classification and should remain unexpended if the original purpose for which they were included in the budget either did not materialize or no longer exists.

Preliminary Submission of Division Budgets

Division budgets, in tentative form, will be submitted by the division heads to the Controller.

These preliminary budgets will contain substantiation of estimates for personal services, including the extent of any additional duties given the division by the Board or a full description of any increase in scope of existent duties. This tentative budget will be submitted on the date and in the form prescribed in the budget instructions, as approved by the Board, for each calendar year.

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Review of Budgets

The tentative budgets so submitted shall be reviewed, in collaboration with the designated representative of each division, by the Controller, who has the authority to question any of the budget estimates and to require substantiation that the amounts provided are actually needed.

Where deemed necessary, the Controller will discuss budget provisions with the division heads; and when requested by any Member of the Board, a review of the budget of any division shall be made for his information.

Submission of Budgets in Final Form

After review, the budgets shall be developed in final form by the divisions and submitted to the Controller on the date designated in the budget instructions for each calendar year.

Consolidated Budget to the Board

The Controller will submit, by December 1, a consolidated budget to the Board for its consideration and approval before the beginning of the budget year. This consolidated budget will contain an analysis by the Controller of the budget requests by the various divisions and a recommendation with regard thereto, and will be accompanied by the division budgets as prepared in final form.

EXECUTION OF THE BUDGET

Responsibility of Division Heads

It has been and continues to be the recognized responsibility of the division heads at all times to scrutinize carefully the expenses of their respective divisions to be certain that they are appropriate and necessary and are kept at a minimum consistent with the proper discharge of the divisions' authorized and essential functions.

Periodic Budget Reports

The Controller will prepare periodic budget reports to the Board including a review of the budget experience for the first

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six months of the year and an annual report on budget conformance for the entire year.

The Controller will also keep the budget representatives of the divisions informed, through periodic reports, as to the status of the budget expenditures of their respective divisions.

Review of Expenditures

The Controller shall be responsible for reviewing day-to-day expenditures and shall have the authority to question at any time any proposed expenditure even though it is within the limits fixed by the budget.

The Controller shall approve purchase orders (including contracts and requisitions for printing performed in the Board's plant) in excess of \$500, with the exception of purchases of paper to replenish stocks on hand.

The Controller shall conduct studies and analyses of expenditures in order to be in a position to advise the Board whether the most effective and economical procedures are being followed. For example, he shall have in mind the desirability of eliminating duplication and any outmoded procedures and equipment; of assuring efficiency in the provision, use, maintenance, and replacement of equipment; and in the control and standardization of forms.

Expenditures Exceeding Budget Estimates

With the consent of the Controller, a division may make additional expenditures in any account classification in non-personal services in an amount not exceeding 10 per cent of the division's budget for such classification, provided that the division's total budget for non-personal services is not exceeded.

Should it appear that (1) any expenditures will result in exceeding the 10 per cent limitation, (2) the total budget for personal or non-personal services will be exceeded, or (3) any expenditure of major character or of unusual nature is contemplated that was not provided for in the budget, the division should request approval of the Board for such expenditures through the Controller, who shall submit such request to the Board accompanied by his recommendations with respect thereto.

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Messrs. Johnson, Solomon, and Hackley then withdrew from the meeting.

Reference was made to a memorandum dated July 22, 1953, from Mr. Bethea, Director, Division of Administrative Services, discussing the possibility of changing the curtains in the Board Room so as to eliminate glare from the windows. The memorandum, which had been circulated among the members of the Board prior to this meeting, indicated that the only apparent method of eliminating the glare would be to install opaque traverse draw draperies at each window. It stated that such draperies could be manufactured and installed at an approximate cost of \$1,800.

Governor Robertson stated that the Venetian blinds on the windows had been fixed so that the glare was not objectionable and that in view of the statements made in Mr. Bethea's memorandum he would suggest that unless there were repairs which should be made to the curtains now in use, no other steps be taken at this time.

There was unanimous agreement
with Governor Robertson's suggestion.

Governor Robertson suggested that, as a step in bringing about a closer contact between the work of the Division of Examinations and the Division of Research and Statistics, Mr. Koch, Chief of the Banking Section in the latter Division, be authorized to attend the School for Examiners, to be conducted by the Inter-Agency Bank Examination School,

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during the four-week period beginning September 28, 1953. He said that the matter had been taken up by Mr. Young with Mr. Koch, who had indicated an interest in attending the school.

Thereupon, Mr. Koch's attendance at the School for Examiners was approved unanimously.

Mr. Young then withdrew from the meeting and Mr. Bethea, Director, Division of Administrative Services, entered the room.

At the request of the Board, Mr. Bethea outlined the plans being made to receive Federal Reserve Bank directors, officers, and employees, commercial bankers, and other persons attending the annual convention of the American Bankers Association in Washington September 20-23, 1953, who might visit the Federal Reserve Building. Mr. Bethea's review indicated that the plans suggested in a memorandum from Governor Evans dated July 20, 1953, which was approved at the meeting on July 30, 1953, were being carried forward.

Questions were raised particularly with respect to the arrangements being made to accommodate those who might indicate a desire to have lunch at the Federal Reserve Building. Mr. Bethea stated in this connection that, according to the provisions of Governor Evans' memorandum, Federal Reserve Bank directors and officers were to be directed to the staff dining room where luncheons would be provided without charge. He also stated that arrangements were being made whereby Federal Reserve Bank employees and their

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guests would be placed in touch with representatives of the Division of Personnel Administration who would provide them a card which they would present to the cafeteria cashier entitling them to have lunch in the cafeteria as guests of the Board. Other persons visiting the building would be told that the facilities of the cafeteria were available to them.

There was agreement with the procedure outlined by Mr. Bethea, with the understanding that Federal Reserve Bank directors, officers, and their guests having lunch in the Board's dining rooms would not be requested to sign any check and that in the case of Board personnel accompanying them, checks subsequently would be sent to the respective offices.

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on September 15, 1953, were approved unanimously.

Minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on September 15, 1953, were approved unanimously.

Letter for the signature of the Chairman to the Honorable Joseph M. Dodge, Director, Bureau of the Budget, reading as follows:

Pursuant to the request in a letter from the Director of the Bureau of the Budget dated March 17, 1952, there is enclosed

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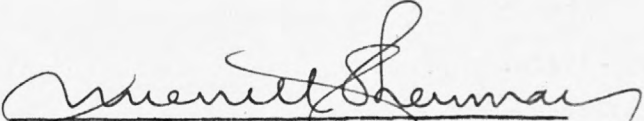
a copy of a memorandum, "Financing Defense Production Under Regulation V". This memorandum reviews the "V-Loan Program" of Government guarantees of loans to finance defense production, as administered by the Board of Governors of the Federal Reserve System under the authority contained in the Defense Production Act of 1950, as amended.

Copies of histories of the Board's administration of real estate credit and consumer credit regulations under the Defense Production Act were sent to you on March 25, 1953 and July 9, 1953, respectively. There are also being prepared statements relating to the voluntary credit restraint program and the place of general credit policy in the defense effort. Copies of statements covering these two fields of activity will be transmitted to you when they are completed and approved by the Board.

Approved unanimously.

Memorandum dated September 11, 1953, from Mr. Vest, General Counsel, requesting authorization to arrange and hold a conference of Counsel of all Federal Reserve Banks in Washington for a two-day period around the last part of November.

Approved unanimously.


Assistant Secretary