

10/2/53 Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, October 2, 1953. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board
Mr. Young, Director, Division of Research and Statistics
Mr. Fauver, Assistant to Mr. Thurston

There was presented a request that Mr. Benner, Assistant Director, Division of Examinations, be authorized to travel to Harrisburg, Pennsylvania, on October 6 and 7, 1953, to make an address and participate in a panel discussion on mortgage loans at the Lenders' Conference of the Pennsylvania Bankers Association.

Approved unanimously.

There were distributed copies of a review of the economic situation prepared in the office of Mr. Thurston and based on the economic presentation by the Board's staff which was given at the meeting of the Federal Open Market Committee on September 24, 1953. There were also distributed copies of two proposed transmittal letters, prepared for the signature of Chairman Martin, one of which would go to directors of the Federal Reserve Banks and the other of which would go to the presidents of the respective Reserve Banks.

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Governor Szymczak recalled that similar digests were sent to the directors on an experimental basis pursuant to action of the Board on March 12, 1953. He said that, except in few cases, the directors who responded indicated an interest in receiving such a document periodically, that the current digest had been prepared in the light of that favorable reaction, and that Chairman Martin had approved the transmittal letters, subject to the concurrence of the other members of the Board.

Following a discussion, the transmittal of the digests was approved unanimously, with the understanding that if similar digests were sent in the future, they would be marked "not for publication" and would contain a notation that the material was prepared in the offices of the Board of Governors of the Federal Reserve System.

There were presented telegrams to the Federal Reserve Banks of Boston, New York, Philadelphia, Chicago, St. Louis, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Banks of Boston and St. Louis on September 28, by the Federal Reserve Bank of San Francisco on September 29, and by the Federal Reserve Banks of New York, Philadelphia, and Chicago on October 1, 1953, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on October 1, 1953, were approved unanimously.

Memoranda from appropriate individuals concerned recommending personnel actions as follows:

Appointments, effective upon the date of assuming duties

<u>Name and title</u>	<u>Division</u>	<u>Type of appointment</u>	<u>Basic annual salary</u>
Gertrude N. Rath, File Clerk	Office of the Secretary	Temporary (6 months)	\$3,030
Martha L. Ware, File Clerk	Office of the Secretary	Temporary (6 months)	3,030

Change in status of appointment

Eileen M. Gibson, Clerk-Stenographer, Division of Research and Statistics. From temporary (three months) to temporary indefinite, with no change in basic annual salary at the rate of \$2,830, effective at the expiration of her temporary appointment.

Reemployment

Doris McT. Francis, Clerk-Stenographer, Division of Research and Statistics. Reemployment, effective as of the date of entrance upon duty, with basic salary at the rate of \$3,335 per annum. (Mrs. Francis had been on maternity leave since June 1, 1953.)

Salary increase

M. Callie Wickline, Nurse, Division of Personnel Administration. Increase in basic annual salary from \$4,160 to \$4,285, effective October 11, 1953.

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Extension of leave of absence without pay

Catharine A. Fornof, Clerk-Stenographer, Division of Bank Operations. Leave without pay from October 16, 1953, through April 15, 1954.

Transfer

Zoe Gratsias, Stenographer, Division of Administrative Services, to the position of Minutes Clerk in the Office of the Secretary, with no change in her basic annual salary of \$2,950, effective as of the date she enters upon the performance of her duties in the Office of the Secretary.

Approved unanimously.

Letter to Mr. Neely, Federal Reserve Agent, Federal Reserve Bank of Atlanta, reading as follows:

In accordance with the request contained in your letter of September 22, 1953, the Board of Governors approves, effective October 1, 1953, the payment of salaries to the following members of the Federal Reserve Agent's staff at the rates indicated:

Birmingham Branch:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
W. C. Burson	Federal Reserve Agent's Representative	\$5,600
George W. Mason	Federal Reserve Agent's Representative	6,000
Hugh Moreland, Jr.	Federal Reserve Agent's Representative	6,100

Jacksonville Branch:

Shirley E. Winterburn	Federal Reserve Agent's Representative	3,840
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Nashville Branch:

O. E. Davis, Jr.	Federal Reserve Agent's Representative	5,900
W. Ralph Thurman	Federal Reserve Agent's Representative	4,900
Anna Lou Cullom	Federal Reserve Agent's Representative	3,720

Approved unanimously.

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Telegram to Mr. Diercks, Vice President, Federal Reserve Bank of Chicago, reading as follows:

Reurtel September 30, 1953. Board approves designation of K. O. Heika as a special assistant examiner for the Federal Reserve Bank of Chicago.

Approved unanimously.

Letter to Mr. Gilbody, Assistant Vice President, Federal Reserve Bank of Boston, reading as follows:

This refers to your letter of September 28, regarding the penalty of \$64.63 incurred by the Pacific National Bank, Nantucket, Massachusetts, on a deficiency in its reserves for the period ended September 15, 1953.

It is noted that the subject bank is located in a summer resort section, and the deficiency resulted from the fact that the maintenance of reserves did not receive proper attention because of insufficient help during the latter part of the season; that the bank carried ample funds with its correspondents which would have eliminated the deficiency had it been detected in time; and that this is the bank's first deficiency in over ten years.

In the circumstances, the Board authorizes your bank to waive the assessment of the penalty in this case.

Approved unanimously.

Letter to Mr. Heath, Assistant Cashier, Federal Reserve Bank of Chicago, reading as follows:

This refers to your letter of September 29, regarding the penalty of \$46.03 incurred by the First National Bank, Stockton, Illinois, on a deficiency in its reserves for the period ended September 15, 1953.

It is noted that the deficiency resulted from the failure of the subject bank's Chicago correspondent to transfer funds to the bank's reserve account as requested; that the bank normally carries ample reserves; and that it has an

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excellent record, with no deficiencies over the past two years and no penalties in the last three years.

In the circumstances, the Board authorizes your bank to waive the assessment of the penalty in this case.

Approved unanimously.

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

Reference is made to your letter of September 14, 1953, submitting the request of Farmers & Merchants Bank of Lodi, Lodi, California, for the Board's approval of the establishment and operation of a branch in McHenry Village, adjacent to the City of Modesto.

The Board of Governors has given careful consideration to the information submitted and other pertinent factors and has reached the conclusion that it should not approve the establishment of the proposed branch because, in its judgment, the City of Modesto and its immediate territory has ample banking facilities to take care of available and foreseeable business, and the establishment of the proposed branch would tend to create an overbanked situation in the area. The Board is also of the opinion that the proposed branch office, located 42 miles from the main office of the applicant, is apparently outside its normal banking area.

It is requested you advise the applicant of the Board's decision.

Approved unanimously.

Letter to Mr. Bryan, President, Federal Reserve Bank of Atlanta, reading as follows:

In a letter dated July 8, 1953, the Board authorized the preparation of final plans and specifications for the construction of east and west additions to the head office building, described as Stage I, on the basis of the preliminary plans which had been submitted. The plans for the west addition called for a 3-story and basement building with foundations and steel strong enough to carry an additional three stories.

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As requested in your letter of September 16, 1953, the Board, in accordance with the action taken by the Executive Committee of your Bank, authorizes the preparation of final plans and specifications for the full 6-story addition on the west lot.

Approved unanimously.

Letter to Mr. Johns, President, Federal Reserve Bank of St. Louis, reading as follows:

Thank you for your letter of September 15, 1953, concerning the alterations and improvements to the St. Louis building and annex.

The Board of Governors has no objection to your Bank's proceeding with the program as outlined in your letter.

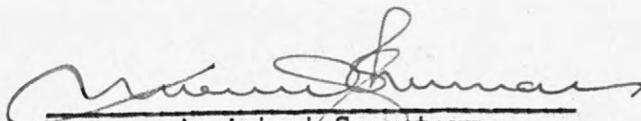
Approved unanimously.

Letter to Mr. Gentry, First Vice President, Federal Reserve Bank of Dallas, reading as follows:

The Board authorizes the preparation of detailed plans and specifications for the proposed new building at San Antonio on the basis of the revised preliminary plans and specifications referred to in Mr. Austin's letters of September 1 and September 23, 1953.

In accordance with the established procedure, it is understood that when the detailed plans and specifications have been completed they will be submitted to the Board of Governors for consideration prior to requesting bids.

Approved unanimously.


Assistant Secretary