

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, November 10, 1953.

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

Mr. Carpenter, Secretary  
 Mr. Sherman, Assistant Secretary  
 Mr. Kenyon, Assistant Secretary

Minutes of actions taken by the Board of Governors of the Federal Reserve System on November 9, 1953, were approved unanimously.

Letter to Mr. Shepard, Federal Reserve Agent, Federal Reserve Bank of Minneapolis, reading as follows:

In accordance with the request contained in Mr. Powell's letter of November 4, 1953, the Board of Governors approves the payment of salary to Mr. Christopher E. Bjork, Alternate Assistant Federal Reserve Agent, at the rate of \$6,000 per annum, effective November 16, 1953.

Approved unanimously.

Letter to the Board of Directors, Depositors Trust Company, Augusta, Maine, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of Boston, the Board of Governors approves the establishment and operation of a branch at Wilton, Maine, by Depositors Trust Company, provided the absorption of Wilton Trust Company, Wilton, Maine, is effected substantially as proposed, and the branch is established within six months after the date of this letter.

In connection with the proposed absorption of Wilton Trust Company by Depositors Trust Company, the Board of

11/10/53

-2-

Governors gives its consent to the transaction as required under Section 18(c) of the Federal Deposit Insurance Act.

Approved unanimously, for  
transmittal through the Federal  
Reserve Bank of Boston.

Letter to the Board of Directors, Fidelity Trust Company,  
Indianapolis, Indiana, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors approves the establishment and operation of a branch at 2998 Central Avenue, Indianapolis, Indiana, and a branch at 1100 West Thirtieth Street, Indianapolis, Indiana, by Fidelity Trust Company, provided (a) the proposed mergers with The Northwestern State Bank, Indianapolis, Indiana, and Central State Bank, Indianapolis, Indiana, are effected substantially in accordance with the plan submitted, (b) formal approval is issued by the appropriate State authorities, and (c) the branches are established within six months after the date of this letter.

Approved unanimously, for  
transmittal through the Federal  
Reserve Bank of Chicago.

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

Reference is made to your letter of November 3, 1953, submitting request of The Emmet County State Bank, Harbor Springs, Michigan, for permission to retire its \$25,000 locally owned preferred stock.

The Board of Governors consents to the retirement of the \$25,000 preferred stock by The Emmet County State Bank. It is assumed that approval of the retirement will be obtained by the bank from the proper State authorities, if required.

Please advise the bank of the Board's action.

Approved unanimously.

11/10/53

-3-

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

Your wire November 5. Board approves opening and maintenance of an account on your books in the name of the Bank of Japan subject to the usual terms and conditions upon which your Bank maintains accounts for foreign central banks and governments. It is understood that you will, in due course, offer participation in this account to other Federal Reserve Banks.

Approved unanimously.

Letter to the Presidents of all Federal Reserve Banks reading as follows:

During recent discussions between Governor Robertson and Assistant Postmaster General Robertson regarding registered mail shipments by the Federal Reserve Banks, the question of limitations on shipments over Star routes was raised. Representatives of the Post Office Department stated that the Department is willing to review outstanding limitations on the amount of shipments of registered mail over Star routes with a view to raising the existing maximums.

Accordingly, if you feel that the present limitation on shipments of registered mail over any Star route is resulting in undue inconvenience in supplying the currency and coin needs of member banks in your district, it is suggested that you take the matter up with the Post Office Department for review. Representatives of the Department indicated that they would be glad to have brought to their attention cases in which registered mail shipments were not being used but might be if Star route limitations were raised.

Requests for reviews of limitations on shipments of currency and coin, or securities, should be addressed to Mr. N. R. Abrams, Assistant Postmaster General, United States Post Office Department, Washington 25, D. C.

Approved unanimously.

11/10/53

-4-

Letter to Mr. Roger W. Jones, Assistant Director, Legislative Reference, Bureau of the Budget, Washington, D. C., reading as follows:

This is in response to your communication of October 30, 1953 requesting the views of the Board regarding a "Proposed Executive Order on Consultation and Other Matters Affecting Small Business". The proposed order would require all Government departments and agencies to arrange for a continuing review of all policies relating to procurement in order to insure that small business concerns are assured of equality of opportunity to participate in procurement and to receive a fair proportion of the total purchases and contracts of the Government. The order would also require officers of the Government to currently inform the Small Business Administration concerning the exercise of functions which are pertinent to the responsibilities of the Small Business Administration and to provide for participation by representatives of that Administration in deliberations affecting small business concerns.

Since it appears that the proposed order is related only slightly, if at all, to the responsibilities of the Federal Reserve System, the Board has no comments to submit.

Approved unanimously.

Letter for the signature of Governor Szymczak to the Honorable Charles E. Bennett, House of Representatives, Washington, D. C., reading as follows:

This is in reply to your letter of October 24, 1953, regarding cafeterias at the Federal Reserve Banks and branches.

Most of the Federal Reserve Banks and branches, as a general personnel policy, have cafeterias where lunches are furnished employees at relatively moderate cost. This is consistent with the practice of many banks and institutions which have found that the provision of lunches on the premises at moderate cost makes for efficient operations. In recognition of the desirability of this policy, the Board of Governors for a number of years has approved the absorption by the Reserve Banks of up to 50 per cent of the cost of operating the cafeterias.

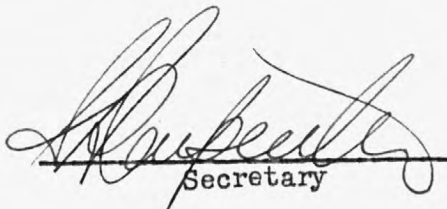
11/10/53

-5-

Cafeteria expenses for food, labor, etc., amounted to \$2,342,329 during the year 1952. In the same period cafeteria receipts were \$1,279,140, leaving \$1,063,189 absorbed by the Federal Reserve Banks. The total average number of employees in the 28 offices where the Reserve Banks provide luncheon facilities was 19,002. In addition, in three branches the luncheon facilities are operated by employees' organizations and no out-of-pocket expenses are assumed by the branches.

The Federal Reserve Banks operate on their own resources and no part of cafeteria expense is paid from appropriated funds. Under a policy established by the Board, however, Federal Reserve Banks pay to the Treasury approximately 90 per cent of their net earnings, and if no cafeteria expenses were absorbed, that payment would be somewhat higher. In the year 1952 such payments by the Reserve Banks to the Treasury amounted to \$291,934,634.

Approved unanimously.



Secretary