

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, November 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. Carpenter, Secretary
 Mr. Sherman, Assistant Secretary
 Mr. Kenyon, Assistant Secretary
 Mr. Thurston, Assistant to the Board
 Mr. Vest, General Counsel
 Mr. Allen, Director, Division of Personnel Administration

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	December 1-3, 1953

To travel to New York, New York, to participate in a seminar, "New Perspectives for Top Management", sponsored by New York University, and to visit the Federal Reserve Bank of New York.

Lowell Myrick, Assistant Director, Division of Bank Operations	November 27-December 4, 1953
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To travel to San Francisco, California, to attend, as associate member, a meeting of the Presidents' Conference Subcommittee on Cash, Leased Wire, and Sundry Operations.

Robert C. Masters, Assistant Director, Division of Examinations	November 26-December 4, 1953
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To travel to Minneapolis, Minnesota, to attend the annual Ninth District Examiners' Conference and to meet with the examining staff of

11/16/53

-2-

the Federal Reserve Bank of Minneapolis to discuss problems and procedures in connection with bank supervision and bank examination.

Clarke L. Fauver, Assistant to
Mr. Thurston

November 17, 1953

To travel to Philadelphia, Pennsylvania, to attend the final in a series of field meetings sponsored by the Federal Reserve Bank of Philadelphia for executive officers and directors of banks in the Third Federal Reserve District.

Approved unanimously.

Further consideration was given to the appointment of Class C directors at the Federal Reserve Banks for terms beginning January 1, 1954, and to the designation of Chairmen and Federal Reserve Agents and the appointment of Deputy Chairmen for the year 1954.

The following actions were taken
by unanimous vote:

The Chairmen of the respective Federal Reserve Banks concerned were requested to ascertain and advise the Board whether the following persons would accept, if tendered, appointments as Class C directors for three-year terms beginning January 1, 1954:

<u>Name</u>	<u>Bank</u>
Harry A. Batten, Chairman, N. W. Ayer & Son, Inc., Philadelphia, Pennsylvania	Philadelphia
Alonzo G. Decker, Jr., Vice President, The Black and Decker Manufacturing Company, Towson, Maryland	Richmond
Harllee Branch, Jr., President, Georgia Power Company, Atlanta, Georgia	Atlanta
Leslie N. Perrin, Director, General Mills, Inc., Minneapolis, Minnesota	Minneapolis

11/16/53

-3-

Mr. Dearmont, Chairman of the Federal Reserve Bank of St. Louis, was requested to ascertain and advise the Board whether M. Moss Alexander, President, Missouri-Portland Cement Company, St. Louis, Missouri, would accept, if tendered, appointment as Class C director of the St. Louis Bank for the three-year term beginning January 1, 1954, and designation as Chairman and Federal Reserve Agent at the Bank for the year 1954; and whether Caffey Robertson, President, Caffey Robertson Company, Memphis, Tennessee, would accept, if tendered, appointment as of January 1, 1954, as Class C director of the St. Louis Bank for the unexpired portion of the term ending December 31, 1955.

In accordance with the understanding at the meeting of the Board on October 26, 1953, steps had been initiated to ascertain whether Mr. Y. Frank Freeman, Vice President, Paramount Pictures, Inc., Hollywood, California, would accept appointment as of January 1, 1954, as Class C director of the Federal Reserve Bank of San Francisco for the unexpired portion of the term ending December 31, 1955, and as Deputy Chairman for the year 1954, and it was agreed that the appointments would be made if it were ascertained by Mr. Wilbur, Chairman of the San Francisco Bank, that Mr. Freeman would accept.

It having been ascertained in accordance with the understanding at the meeting on October 26, 1953, that Mr. A. H. Brawner, Chairman, W. P. Fuller and Company, San Francisco, California, would accept appointment, if tendered, as Class C director of the Federal Reserve Bank of San Francisco, the following were appointed Class C directors of the Federal Reserve Banks indicated for three-year terms each, beginning January 1, 1954:

<u>Name</u>	<u>Bank</u>
Karl T. Compton	Boston
Jay E. Crane	New York
John C. Virden	Cleveland
Cecil Puckett	Kansas City
A. H. Brawner	San Francisco

11/16/53

-4-

The following were designated as Chairmen and Federal Reserve Agents at the Federal Reserve Banks indicated for the year 1954 and the compensation of each as Chairman and Federal Reserve Agent was fixed on the uniform basis for the same position at all Federal Reserve Banks, i.e., the same amount as the aggregate of the fees payable during the same period to any other director for attendance corresponding to his at meetings of the board of directors, executive committee, and other committees of the board of directors:

<u>Name</u>	<u>Bank</u>
Harold D. Hodgkinson	Boston
Jay E. Crane	New York
William J. Meinel	Philadelphia
John C. Virden	Cleveland
John B. Woodward, Jr.	Richmond
Rufus C. Harris	Atlanta
Paul E. Miller	Minneapolis
Raymond W. Hall	Kansas City
A. H. Brawner	San Francisco

The following were appointed Deputy Chairmen of the Federal Reserve Banks indicated for the year 1954:

<u>Name</u>	<u>Bank</u>
Ames Stevens	Boston
William I. Myers	New York
Henderson Supplee, Jr.	Philadelphia
Leo L. Rummell	Cleveland
W. G. Wysor	Richmond
Paul E. Reinhold	Atlanta
Cecil Puckett	Kansas City

There was also a brief discussion of persons who might be reappointed as directors at Federal Reserve Bank branches, based on

11/16/53

-5-

information which had been furnished to the members of the Board by the Division of Personnel Administration. It was noted, however, that in certain cases the incumbents had served very nearly two complete three-year terms, which raised a question as to whether they should be considered eligible for reappointment. In the circumstances, it was understood that Mr. Allen would submit data to the members of the Board regarding the length of service of Federal Reserve Bank branch directors whose terms expire at the end of 1953 and that the matter would be given further consideration following receipt of such information.

Mr. Allen then withdrew from the meeting and Messrs. Thomas, Economic Adviser to the Board, and Dembitz, Assistant Director, Division of International Finance, entered the room.

Pursuant to the understanding at the meeting on November 4, 1953, that the matter would be given further consideration following the return of Chairman Martin, there was discussion of a memorandum from Mr. Thomas, dated October 28, 1953, concerning plans being made for the Fourth Meeting of Technicians of Central Banks of the American Continent, to be held in Washington and New York during the period from May 3 through May 14, 1954.

The discussion concerned principally the proposed expenses in connection with the sessions to be held in Washington. The memorandum from Mr. Thomas suggested providing \$2,500 for luncheons and a reception

11/16/53

-6-

and \$3,500 to cover a week-end trip to Williamsburg, Virginia, for the delegates and their wives. The memorandum also suggested that there be provided \$2,000 for interpreters and bilingual stenographers, \$11,500 for printing 1,000 copies of the proceedings and minutes of the meeting, and \$2,500 for contingencies.

At the request of the Board, Mr. Thomas commented on the three previous meetings, which were held in Mexico, Chile, and Cuba and were attended by representatives of the Federal Reserve System. In this connection, he pointed out that the entertainment program being planned for the 1954 meeting would be conservative in comparison to the entertainment arranged for delegates to the previous meetings. Mr. Thomas also stated that the cost estimates presented in his memorandum were tentative and subject to revision, and that the staff was thinking in terms of as modest a program of entertainment as would seem appropriate.

In a discussion of the matter it was brought out that the Board, having sent representatives to the previous meetings and having joined with the Federal Reserve Bank of New York in extending an invitation to hold the 1954 meeting in the United States, was in a position which seemed to necessitate the arrangement of a suitable program.

Governor Robertson then suggested that the Board authorize expenditures for printing the proceedings and minutes, for providing interpreting services and the services of bilingual stenographers, and

11/16/53

-7-

for arranging an appropriate but modest program of entertainment, with the understanding that the staff should do everything possible to hold down the costs, that the Board should be kept informed of developments, and that total expenses in connection with the portion of the meeting to be held in Washington and the printing of the proceedings and minutes should not exceed the figure of \$22,000 mentioned in Mr. Thomas' memorandum.

Governor Robertson's suggestion was approved unanimously.

Messrs. Thomas, Vest, and Dembitz then withdrew from the meeting and Messrs. Leonard, Director, Division of Bank Operations, and Bethea, Director, Division of Administrative Services, entered the room.

Reference was made to the understanding at the meeting on November 4, 1953, that Chairman Coleman, Deputy Chairman Prall, President Young, and First Vice President Harris, of the Federal Reserve Bank of Chicago, should be invited to meet with the Board to discuss the proposed building program at the head office of the Chicago Bank.

It was reported that, according to word received from President Young, it would be convenient for the representatives of the Federal Reserve Bank of Chicago to meet with the Board on December 7, 1953, the first day of the scheduled meeting of the Conference of Chairmen of the Federal Reserve Banks, and it was suggested that the meeting to discuss the Chicago building program might be at 2:30 p.m. on that day, since

11/16/53

-8-

the Chairmen's Conference was not to meet during that afternoon. The members of the Board indicated that they would be agreeable to a meeting at the time suggested.

There had been sent to the members of the Board, at the request of Governor Evans, copies of a memorandum from Mr. Bethea, dated November 13, 1953, relating to recommendations by Mr. Persina, Consulting Architect to the Board, for the redecoration of the Board's reception room on the second floor of the building and the brown dining room on the fourth floor. The matter of renovating these rooms had been explored as the result of informal suggestions by members of the Board and the proposals of Mr. Persina were set forth in letters from him, copies of which were attached to Mr. Bethea's memorandum.

At the request of the Board, Mr. Bethea commented on the various possibilities which had been considered and recommended, if it should be decided to proceed with the redecoration of the rooms, that Mr. Persina's recommendations be followed. The estimated cost of redecorating the rooms along the lines suggested by Mr. Persina was \$1,867.

Following a discussion of the desirability of redecorating the rooms and the various possibilities suggested for accomplishing this, it was agreed not to proceed at this time with redecoration of the type outlined.

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

