

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, December 8, 1953. The Board met in the Board Room at 2:30 p.m.

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

Mr. Carpenter, Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Leonard, Director, Division of Bank Operations  
Mr. Kelleher, Assistant Director, Division of Administrative Services  
Mr. Sprecher, Assistant Director, Division of Personnel Administration

Following a review of the discussion at yesterday's meeting regarding the proposed building program at the head office of the Federal Reserve Bank of Chicago, Governor Robertson said that Chairman Coleman had advised him subsequent to the meeting that a further study of the situation would be made by the Reserve Bank which would involve considering the purchase of property adjoining the present building (the United States Fidelity and Guaranty Company building) as an alternative to the present plan of adding four floors to the present building. This might also involve consideration of the erection of an addition to the bank on the site of the United States Fidelity and Guaranty Company building and the acquisition of another lot in the same block to provide the Reserve Bank protection against longer-run needs. Governor Robertson went on to say

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that in response to Chairman Coleman's request, he said he would bring the matter to the attention of the Board with the suggestion that the Board take no action until the Chicago Bank had made the contemplated study and advised the Board of the conclusions reached.

Following a discussion, it was understood that no action would be taken by the Board of Governors pending completion of the study.

Governor Robertson then presented information on two possible appointees to the board of directors of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City, as set forth in his memorandum dated December 7, 1953. Of the two, he recommended Mr. Davis D. Bovaird, President of the Bovaird Supply Company, Tulsa, Oklahoma.

Thereupon, it was voted unanimously to request Mr. Hall, Chairman of the Federal Reserve Bank of Kansas City, to ascertain and advise the Board whether Mr. Bovaird would accept appointment, if tendered, as director of the Oklahoma City Branch for the two-year term beginning January 1, 1954.

Reference was made to two memoranda from Mr. Bethea, Director, Division of Administrative Services, both dated December 1, 1953, recommending that the temporary appointments of Edith C. Hartzell and Ruth A. Brown, Charwomen in that Division, be extended on a temporary indefinite basis, with no change in their present basic salaries of \$2,420 per annum, effective at the expiration of their present appointments.

Following a discussion of the practices followed in cleaning the

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Board's building, the number of employees on the building maintenance staff, and efforts being made to keep that staff to a minimum consistent with good housekeeping standards, during which it was pointed out that the two employees in question had been hired as replacements on a temporary basis with the understanding that they would be retained on a temporary indefinite basis if their services were satisfactory, the recommendations contained in Mr. Bethea's memoranda were approved unanimously.

Mr. Kelleher then withdrew from the meeting.

Prior to this meeting Mr. Allen, Director, Division of Personnel Administration, had sent to the members of the Board copies of two memoranda dated November 27, 1953, the first of which discussed salaries proposed for Federal Reserve Bank presidents and first vice presidents, effective January 1, 1954, and the second of which presented data on salaries proposed for Reserve Bank officers other than the presidents and first vice presidents, effective January 1, 1954, together with information concerning the 1954 officer salary budgets of the Federal Reserve Banks.

There was a preliminary discussion of the proposed salaries, particularly those proposed for the presidents and first vice presidents, but no action was taken pending further discussion at another meeting of the Board.

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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 present:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on December 7, 1953, were approved unanimously.

Letter to the Board of Directors, Bank of Belmont Shore, Long Beach, California, stating that, subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H, and the following special condition, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of San Francisco, effective if and when the bank is authorized to commence business by the appropriate State authorities:

3. At the time of admission to membership, such bank shall have a paid-up and unimpaired capital stock of not less than \$230,000 and other capital funds of not less than \$115,000.

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

Letter to the J. B. D. Holding Corporation, 1401 West 17th Street,  
Long Beach, California, reading as follows:

This refers to the request on your behalf by the Federal Reserve Bank of San Francisco with respect to the status of J. B. D. Holding Corporation, Long Beach, California, as a holding company affiliate if the Bank of Belmont Shore, Long Beach, California, is organized and is admitted to membership in the Federal Reserve System.

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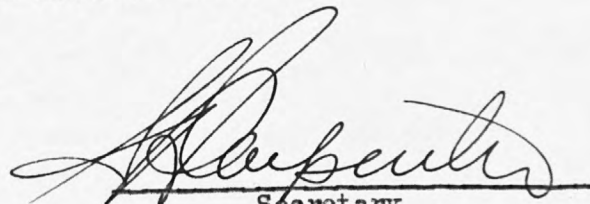
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From the information supplied, the Board understands that J. B. D. Holding Corporation was formed and is operated for the purpose of owning commercial real estate properties for rental purposes; that J. B. D. Holding Corporation will be a holding company affiliate of the Bank of Belmont Shore, Long Beach, California, through control by majority stock ownership of such proposed bank; that J. B. D. Holding Corporation does not and will not own or control directly or indirectly the stock of any other banking institution; and that J. B. D. Holding Corporation does not and will not manage or control directly or indirectly any banking institution other than the Bank of Belmont Shore.

In view of these facts the Board has determined that J. B. D. Holding Corporation, upon organization of the Bank of Belmont Shore and admission of that Bank to membership in the Federal Reserve System, will not be engaged directly or indirectly as a business in holding the stock of or managing or controlling banks, banking associations, savings banks or trust companies within the meaning of section 2(c) of the Banking Act of 1933, as amended; and, accordingly, the J. B. D. Holding Corporation will not be deemed to be a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act.

If, however, the facts should at any time differ from those set out above to an extent which would indicate that J. B. D. Holding Corporation might be deemed to be so engaged, this matter should again be submitted to the Board. The Board reserves the right to rescind this determination and make a further determination of this matter at any time on the basis of the then existing facts.

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



Secretary