

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

PRESENT: Mr. Martin, Chairman
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
Mr. Cherry, Legislative Counsel

Reference was made to two letters dated December 14, 1953, from Congressman Patman of Texas, one requesting certain information regarding salaries of Board and Federal Reserve Bank officials and the other requesting certain information regarding salaries of officers of commercial banks.

It was agreed that the information desired by Congressman Patman with respect to Federal Reserve salaries should be furnished and it was understood that the staff would prepare a draft of reply.

The other request was discussed in the light of the suggestion made by Governor Robertson at the meeting on December 14 that a study be made of commercial bank salary trends over the last ten or fifteen years, and in the light of a statement by Mr. Cherry that Mr. Ensley, Staff Director of the Joint Committee on the Economic Report, understood it would be agreeable to Mr. Patman if such a study were undertaken and the results made available to him within the next few weeks.

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Governor Robertson suggested that a reply to Congressman Patman be deferred until he had had an opportunity to consider further the steps involved in making the proposed study. He said he had asked members of the staff of the Division of Research and Statistics to check sources of information pertinent to the study to ascertain the magnitude of the job that would be involved and to find out how much of the information would have to come from the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation. He also said that if the Comptroller of the Currency and the Federal Deposit Insurance Corporation did not wish to participate in the study, he would recommend that the Board undertake it since the information obtained would be useful from the standpoint of the Board's responsibilities in the field of bank supervision.

Following a discussion, it was understood that the matter would be handled along the lines suggested by Governor Robertson.

Mr. Cherry then withdrew from the meeting.

Reference was made to the question raised at the meeting on November 24, 1953, as to whether the practice, begun in 1951, of sending identification cards annually to directors and principal officers of the Federal Reserve Banks and branches and to the members and Secretary of the Federal Advisory Council served a sufficiently useful purpose to warrant its being continued. It was noted that Mr. Leach, Chairman of the

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Presidents' Conference, had advised at the joint meeting of the Board and the Presidents yesterday that it was the consensus of the Presidents that the practice might well be discontinued.

Following a discussion, it was agreed unanimously that the preparation and distribution of the identification cards should be discontinued.

Secretary's note: Pursuant to this action, the following letter was sent to the Chairman and President of each Federal Reserve Bank under date of December 18, 1953:

In 1951, the Board issued identification cards to the directors and officers of the Federal Reserve Banks and to the members and the Secretary of the Federal Advisory Council with the thought that they might be useful in connection with visits at the Board and the Federal Reserve Bank and branch buildings. Similar cards were issued at the end of 1952 for use during the calendar year 1953.

The practice of issuing these cards has been reviewed by the Board recently and was discussed with the Presidents of the Federal Reserve Banks when they were in Washington earlier this month. From this review it does not appear that the cards have been of sufficient use to justify their continuance and the Board has decided, therefore, that they will not be prepared hereafter.

It goes without saying that any director or officer or other person associated with the Federal Reserve System is always welcome at the Board's offices or at any Federal Reserve Bank or branch.

Messrs. Thurston and Vest then withdrew from the meeting.

Chairman Martin stated that he had discussed with Mr. Dearmont, Chairman of the Federal Reserve Bank of St. Louis, the appointment of

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a Deputy Chairman of the St. Louis Bank for the year 1954 and that Mr. Dearmont recommended Mr. Caffey Robertson, recently appointed by the Board as a Class C director of the Bank. Chairman Martin also stated that Mr. Dearmont reported having been advised by President Johns that Mr. Alexander, Chairman-designate of the Bank, likewise favored Mr. Robertson's appointment.

All of the members of the Board indicated that they would favor the appointment of Mr. Robertson as Deputy Chairman of the St. Louis Bank, subject to Chairman Martin's confirming with Mr. Alexander that the appointment would be agreeable to him.

Chairman Martin stated that Mr. Marget, Director of the Division of International Finance, would report at the meeting tomorrow on his recent assignment in Austria, and Governor Robertson suggested that arrangements be made for the Division of International Finance to review the international economic and financial situation at some meeting of the Board within the near future.

Governor Robertson also suggested that the Board consider extending to all new Federal Reserve Bank and branch directors an invitation to come to Washington sometime after the first of next year for a program which would provide them a briefing on the activities of the Federal Reserve System. The suggestion was discussed but no conclusions were reached.

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

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

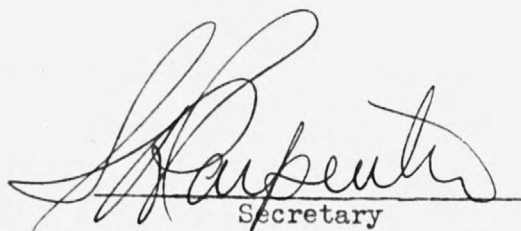
Minutes of the meeting of the Board of Governors of the Federal Reserve System with the Presidents of the Federal Reserve Banks held on December 15, 1953, were approved unanimously.

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

Reference is made to your letter of December 4, 1953, transmitting the request of the Industrial Trust Company, Providence, Rhode Island, that its application for permission to establish and operate a branch in Cranston, Rhode Island, be reconsidered.

Due to the proposed consolidation of the Industrial Trust Company and The Providence Union National Bank under a national charter, the Board advised you on November 27, 1953, that it felt the approval of the establishment of the proposed branch should be obtained from the Comptroller of the Currency and that it might be feasible to have The Providence Union National Bank apply for permission to establish the branch. While it is noted that there may be some delay in effecting the consolidation of the banks, due to a temporary injunction issued under a suit brought by a minority stockholder of the Industrial Trust Company, the Board is still of the same opinion as expressed in its letter of November 27, 1953, that the approval of the establishment and operation of the proposed branch should be obtained from the Comptroller of the Currency.

Approved unanimously.



Secretary