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Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, February 10, 1954. 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. Carpenter, Secretary

Mr. Sherman, Assistant Secretary

Mr. Kenyon, Assistant Secretary

Mr. Thurston, Assistant to the Board

Mr. Riefler, Assistant to the Chairman

Mr. Leonard, Director, Division of Bank Operations

Mr. Young, Director, Division of Research and Statistics

Mr. Myrick, Assistant Director, Division of Bank Operations

Mr. Youngdahl, Assistant Director, Division of Research and Statistics

Mr. Brill, Economist, Division of Research and Statistics

Mr. Miller, Economist, Division of Research and Statistics

At the request of the Chairman, Messrs. Young, Brill and Miller discussed changes proposed at the Treasury Department in the daily statement of the United States Treasury. It was explained that the new statement would be a cash-flow statement showing the effects of Treasury receipts and disbursements on the cash balance, whereas the present daily statement undertakes to show receipts and disbursements by budget categories. The new statement, however, would be supplemented by monthly statements which would relate expenditures to the various budget categories. In addition, it had been indicated by a representative of the Treasury Department that

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some material useful to the Board's staff which would be included in the monthly statement could be made available on an unpublished basis in advance of the regular publication date.

After reviewing the advantages and disadvantages of the procedure contemplated by the Treasury, Mr. Young and his associates expressed the opinion that the changes were of a constructive nature, that on balance they would prove helpful to analyses of the Government's operations and their impact on the economy, and that the work of the Board's staff would be facilitated rather than hindered thereby.

Following a discussion of the proposed changes, it was understood that views along the lines stated by Messrs. Young, Brill, and Miller would be transmitted to the Treasury in response to a request for informal comments which had been made by that Department.

Messrs. Riefler, Young, Youngdahl, Brill, and Miller then withdrew from the meeting.

Mr. Myrick had visited the Federal Reserve Bank of Chicago on January 28 and 29, 1954, in connection with the study being made of possible boundary changes and additional offices in the Seventh Federal Reserve District, and while there he reviewed material being prepared by Mr. Jones, Cashier of the Chicago Bank, regarding the possible decentralization of certain activities now carried on at the head office. The study by the Reserve Bank had been requested by the Board in its letter to

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President Young which was approved at the meeting on January 4, 1954. Mr. Myrick's impressions regarding the space situation at the Chicago head office and certain comments on Mr. Jones' study were set forth in a memorandum dated February 3, 1954, which had been circulated among the members of the Board.

Governor Vardaman, who had requested that the matter be discussed at a meeting, inquired whether it appeared that the study being made at the Chicago Reserve Bank would represent a thorough and objective analysis of the question of decentralization, and Mr. Myrick replied that in his opinion the study would be of such a nature. He added, however, that the management of the Bank seemed to feel strongly that additional space would be required at the head office regardless of any decision which might be made to transfer certain activities to other offices within the Reserve District.

Following a review of the most recent proposal of the Chicago Bank with regard to a head office building program, as discussed at meetings of the Board in December 1953 and January 1954, it was suggested that Governors Szymczak and Evans follow developments closely and keep the Board informed.

This suggestion was approved unanimously.

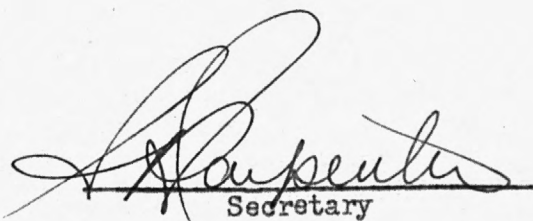
The meeting then adjourned. During the day the following additional action was taken by the Board with all of the members except Governor Robertson present:

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Minutes of actions taken by the Board of Governors of the Federal Reserve System on February 9, 1954, were approved unanimously.

PRESENT: Mr. Boardman
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn
Mr. Nease
Mr. Gurnea
Mr. Egan
Mr. Gandy


Secretary

It was agreed that the Board of Governors should advise the President Young, the Director of the Federal Reserve Bank of Chicago, that the Board would not act on their application for a bank holiday in Chicago on Monday, February 15, 1954, because of the holiday in Chicago observed on that day. It was also agreed that the Board should advise the Board of Directors of the Federal Reserve Bank of Chicago that the Board would not act on their application for a bank holiday in Chicago on Monday, February 15, 1954, because of the holiday in Chicago observed on that day.