

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, March 8, 1954. The Board met in the Board Room at 10:00 a.m.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board

Prior to this meeting there had been circulated among the members of the Board a letter dated February 15, 1954, and enclosure, from Mr. Burgess, Deputy to the Secretary of the Treasury, to Chairman Martin suggesting a basis upon which the Federal Reserve Banks might pay the cost of luncheon or dinner meetings held in connection with campaigns to promote the sale of United States savings bonds. The "ground rules" suggested by Mr. Burgess were as follows:

1. That the request be limited to luncheon or dinner meetings of top flight volunteers and outstanding business and civic leaders.
2. That requests be for meetings with a specific sales promotional purpose.
3. That the request be made by the State Chairman who will have approved, and will outline the nature of the meeting to the Federal Reserve Bank.
4. That the request be made only after other avenues of sponsorship have been exhausted.

During a discussion of the matter, Chairman Martin said that he had reviewed the matter on several occasions recently with Secretary of the Treasury Humphrey, that Mr. Humphrey understood the problem, that he would have no objection to the Board referring in its annual

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reports to Federal Reserve payments in connection with savings bond luncheons and dinners, but that he doubted whether the Treasury could get appropriations to cover such expenses. Chairman Martin expressed the view that in the circumstances it would be a mistake for the Board to take a position that expenses on the basis set forth above should not be paid by the Board or the Federal Reserve Banks.

It was then suggested that the "ground rules" proposed by Mr. Burgess be accepted and that they be transmitted to the Presidents of the Federal Reserve Banks with a covering letter signed by Chairman Martin which would indicate that the suggestions were being made available in the thought that they might be helpful to the Reserve Banks in determining what course they should follow in handling requests that they pay the cost of savings bond luncheons or dinners.

These suggestions were approved unanimously.

At this point Mr. Cherry, Legislative Counsel, entered the meeting.

Chairman Martin stated that after the meeting of the Board last Friday, March 5, the Bureau of the Budget advised by telephone that it had received from the Treasury Department a proposed bill which would extend from June 30, 1954 (the present termination date) to June 30, 1956, the authority for Federal Reserve Banks to purchase Government securities direct from the Treasury up to a total of \$5 billion held at any one time. He said that according to the Budget Bureau, the Treasury was anxious to get a prompt reply and that in the light of previous discussions of the

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matter by the Board, he authorized advice to the Budget Bureau that it might proceed with the proposal on the basis that the Board agreed with it and that it would not be necessary to submit the proposal to the Board for a formal report.

The other members of the Board indicated that they concurred in Chairman Martin's action.

Mr. Cherry then commented on certain legislative matters of interest to the Federal Reserve System following which the meeting adjourned. During the day the following additional actions were taken by the Board with all of the members except Governor Evans present:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on March 5, 1954, were approved unanimously.

Memoranda from appropriate individuals concerned recommending personnel actions as follows:

Appointments, effective upon the
date of assuming duties

<u>Name and title</u>	<u>Division</u>	<u>Type of appointment</u>	<u>Basic annual salary</u>
Doris G. Schwarzkopf, Clerk-Typist	Research and Statistics	Temporary indefinite	\$3,030
Alexander S. Barnes, Assistant Federal Reserve Examiner	Examinations <u>1/</u>	Temporary indefinite	\$3,795
Robert N. Westmore- land, Jr., Assistant Federal Reserve Examiner	Examinations <u>1/</u>	Temporary indefinite	\$3,410

1/ Official headquarters: Washington, D. C.

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Extension of appointment as Special Assistant Federal Reserve Examiner

Louise S. Anderson, Division of Examinations. Extension of appointment to July 24, 1954.

Resignation, effective February 26, 1954

Sylvia L. Edelson, Economist, Division of Research and Statistics.

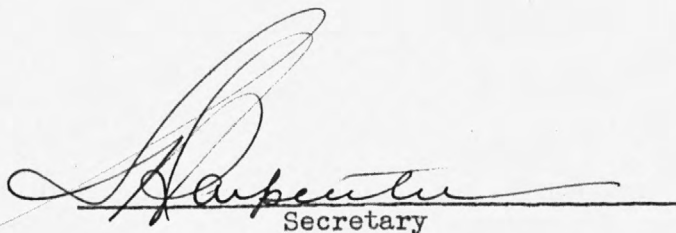
Approved unanimously.

Letter to Mr. Millard, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

As recommended in your letter of February 24, 1954, the Board of Governors extends to September 13, 1954, the time within which the Security Trust & Savings Bank of San Diego, San Diego, California, may establish a branch at Burgener Street and Clairemont Drive in San Diego.

Please notify the bank of this extension.

Approved unanimously.



Secretary