

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, March 9, 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  
 Mr. Riefler, Assistant to the Chairman  
 Mr. Vest, General Counsel

The following members of the staff of the Division of Research and Statistics also were present:

Mr. Young, Director  
 Mr. Garfield, Adviser on Economic Research  
 Mr. Williams, Assistant Director  
 Mr. Noyes, Assistant Director  
 Mr. Youngdahl, Assistant Director  
 Mr. Gehman, Chief, Business Conditions Section  
 Mr. Jones, Chief, Consumer Credit and Finances Section  
 Mr. Koch, Chief, Banking Section  
 Mr. Weiner, Chief, National Income, Moneyflows and Labor Section  
 Mr. Simpson, Acting Chief, Business Finance and Capital Markets Section  
 Mr. Wernick, Economist  
 Mr. Wood, Economist

There was presented a request that C. David Persina, Consulting Architect to the Board, be authorized to travel to Baltimore, Maryland, on March 11, 1954, to consult with the architect for the Federal Reserve Bank of Richmond, at the request of President Leach, regarding the proposed addition to the Baltimore Branch.

Approved unanimously.

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Members of the staff of the Division of Research and Statistics presented a summary review of economic developments and there was a general discussion based on this presentation.

The meeting then 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 8, 1954, were approved unanimously.

Letter to Mr. Virden, Chairman, Federal Reserve Bank of Cleveland, reading as follows:

The Board of Governors has received your letter of February 18, 1954, stating that the report of examination of the Federal Reserve Bank of Cleveland, made as of November 30, 1953, by the Board's examiners, has been circulated to every member of the Board of Directors.

The expenditures listed on page 20 of the report of examination have been noted. As stated in the report, expenditures of this type do not appear to be necessary expenses for a Federal Reserve Bank or to fall within the limits indicated in the Board's letters of September 25, 1951 (S-1396) and March 21, 1952 (S-1439) regarding Community Funds and similar organizations.

On page 37 of the report of examination, there is discussed a recommendation that a plan of rotation of key personnel be instituted in the interest of more effective internal controls in the Noncash Collection Department and the Remittance and Return Items sections of the Check Collection Department at the head office and branches. If this has not already been done, it is urged that a suitable plan of rotation be instituted at an early date.

Approved unanimously.

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Memorandum dated March 5, 1954, from Mr. Sloan, Director,  
Division of Examinations, reading as follows:

On February 26, 1954, the Board approved my memorandum of February 24 recommending, for the reasons stated therein, that the Board reimburse four of the men assigned to the examination of the New Orleans Branch of the Federal Reserve Bank of Atlanta for additional costs for lodgings encountered as a result of the Mardi Gras carnival. We have now received information that Assistant Federal Reserve Examiner Lassen also encountered additional costs for lodgings at New Orleans during that period. Accordingly, it is recommended that the Board reimburse Mr. Lassen for additional costs for lodgings similar to those occupied prior to February 22, 1954, incurred during the period February 22 - March 2, 1954, inclusive, in the discharge of official duties in connection with the examination of the Federal Reserve Bank Branch at New Orleans, such additional costs to be evidenced by hotel bills or similar type of receipts submitted with his expense voucher.

Approved unanimously.

Memorandum dated March 3, 1954, from Mr. Sloan, Director,  
Division of Examinations, recommending that the Board authorize payment of \$1,373.23 to The Citizens and Southern National Bank, Atlanta, Georgia, for costs incurred in connection with the development of an installment loan department for the demonstration bank of the Inter-Agency Bank Examination School. The memorandum stated that no provision for this item had been made in the 1954 budget of the Division of Examinations.

Approved unanimously.

  
Secretary