

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, March 16, 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. Vest, General Counsel
 Mr. Johnson, Controller
 Mr. Cherry, Legislative Counsel

The following requests for travel authorization were presented:

Miss Burr, Assistant Director, Division of Research and Statistics. To travel to Hollins College (near Roanoke), Virginia, during the period April 26-28, 1954, to hold several informal sessions with economics classes at the College on April 27, discussing such subjects as national income and money and banking.

Mr. Myrick, Assistant Director, Division of Bank Operations. To travel to New York, New York, on March 23 and 24, 1954, to attend, as associate member, a meeting of the Presidents' Conference Subcommittee on Electronics.

Approved unanimously.

Mr. Cherry reported on several legislative developments of interest to the Federal Reserve System.

During the course of his comments, Mr. Cherry stated that hearings on bank holding company legislation were scheduled to be resumed by the Senate Banking and Currency Committee, probably about the middle of next month. In this connection, Governor Robertson referred to a

3/16/54

-2-

request received recently from Mr. Harry J. Harding, President of the Independent Bankers Association of the Twelfth Federal Reserve District, for information regarding determinations made by the Board pursuant to section 301 of the Banking Act of 1935. He said that prior to the receipt of this request, complete information on these determinations had been compiled by the Board's staff, that a draft of reply to Mr. Harding was being prepared which would transmit all of the data requested, and that the draft would be presented to the Board for consideration.

There followed a discussion of the matter during which it was proposed that the information might be sent to the Senate Banking and Currency Committee and the suggestion made to Mr. Harding that he request the data from the Committee. No conclusion was reached as to what procedure should be followed, and it was understood that the matter would be discussed further when the draft of reply to Mr. Harding was completed.

Pursuant to the understanding at the meeting on March 5, 1954, there had been distributed to the members of the Board copies of a draft of letter to Representative Hoffman, Chairman of the Committee on Government Operations, reporting on Bill H.R. 7602, as requested in Representative Hoffman's letter of January 29, 1954. That bill would direct the Comptroller General to make an audit for the year ending December 31, 1953, of the Board of Governors, the Federal Open Market Committee, and the Federal Reserve Banks and their branches.

3/16/54

-3-

Several suggestions were offered for revisions of the draft and Messrs. Thurston and Vest were requested to prepare a new draft for the Board's consideration on the basis of the comments made at this meeting.

All of the members of the staff then withdrew and the Board went into executive session.

The Chairman later informed the Secretary that during the executive session the Board gave consideration to a letter dated March 12, 1954, from Mr. Virden, Chairman of the Federal Reserve Bank of Cleveland, which stated that, subject to the approval of the Board of Governors, the directors of the Reserve Bank had voted to fix the salary of President Fulton at the rate of \$30,000 per annum, and the salary of First Vice President Thompson at the rate of \$22,000 per annum, effective May 1, 1954, for the balance of the terms ending February 29, 1956.

Following a discussion, unanimous approval was given to a letter to Chairman Virden in the following form:

The Board of Governors approves the payment of salaries to Mr. Wilbur D. Fulton, as President of the Federal Reserve Bank of Cleveland and Mr. Donald S. Thompson, as First Vice President, for the period May 1, 1954, through December 31, 1954, at the rates of \$30,000 and \$22,000 per annum, respectively, which are the rates fixed by the Board of Directors as indicated in your letter of March 12, 1954.

The Chairman also informed the Secretary that at an earlier executive session the Board considered a

3/16/54

-4-

memorandum dated February 26, 1954, from Mr. Allen, Director, Division of Personnel Administration, and approved the transfer of James F. Hamilton, Messenger in the Board Members' Offices, to the Division of Administrative Services, as Messenger, effective February 28, 1954, with no change in his basic annual salary at the rate of \$3,150.

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 12, 1954, were approved unanimously.

Letter to Mr. Harris, Federal Reserve Agent, Federal Reserve Bank of Atlanta, reading as follows:

In accordance with the request contained in your telegram of March 12, 1954, the Board of Governors approves the appointment of Mr. Floyd N. Greer as an Alternate Assistant Federal Reserve Agent at the Federal Reserve Bank of Atlanta, to succeed Mr. Hudson Johnson.

This approval is given with the understanding that Mr. Greer will be placed upon the Federal Reserve Agent's pay roll and will be solely responsible to him or, during a vacancy in the office of the Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties as Alternate Assistant Federal Reserve Agent he may, with the approval of the Federal Reserve Agent or, during a vacancy in the office of the Federal Reserve Agent, of the Assistant Federal Reserve Agent, and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent.

3/16/54

-5-

Mr. Greer should execute the usual oath of office which should be forwarded to the Board of Governors, together with advice with respect to the effective date of his appointment.

Approved unanimously.

Letter to The First National Bank of Montpelier, Montpelier, Vermont, reading as follows:

The Board of Governors of the Federal Reserve System has given consideration to your supplemental application for fiduciary powers and grants you authority to act, when not in contravention of State or local law, as guardian of estates. The exercise of such authority, in addition to that heretofore granted to act as trustee, executor, administrator and registrar of stocks and bonds, shall be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

A formal certificate indicating the fiduciary powers which The First National Bank of Montpelier is now authorized to exercise will be forwarded to you in due course.

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

Letter to Mr. Stetzelberger, Vice President, Federal Reserve Bank of Cleveland, reading as follows:

Reference is made to your letter of March 4, 1954, submitting the application of The Sylvania Savings Bank Company, Sylvania, Ohio, for permission to exercise fiduciary powers.

Following consideration of the information submitted by you in this connection and in view of your favorable recommendation, the Board of Governors of the Federal Reserve System grants the applicant permission, under the

3/16/54 -6-

provisions of its condition of membership numbered 1, to exercise the fiduciary powers now or hereafter authorized under the terms of its charter and the laws of the State of Ohio.

You are requested to advise The Sylvania Savings Bank Company, Sylvania, Ohio, of the Board's action.

Approved unanimously.

S. Carpenter
Secretary

Reference was made to the report of the
1954, submitting a report of the
Survey of Consumer Finance,
sent to the members of the Society
lines of the attached report
reference in Friday evening
the report in the March issue
He objects
relative of the
stock that
would be given