Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, April 29, 1954. The Board met in the Board Room at 10:00 a.m.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board
Mr. Thomas, Economic Adviser to the Board
Mr. Leonard, Director, Division of Bank Operations
Mr. Vest, General Counsel
Mr. Dembitz, Assistant Director, Division of International Finance

Before this meeting there had been circulated among the members of the Board a memorandum from Mr. Leonard, Director, Division of Bank Operations, dated April 27, 1954, regarding the building program for the Baltimore Branch of the Federal Reserve Bank of Richmond, together with a draft of telegram to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

Reurlet April 23, Board authorizes preparation of detailed plans and specifications for proposed addition and alterations to Baltimore Branch building on basis of preliminary plans and outline specifications as modified. It is understood that upon completion of detailed plans and specifications they will be submitted to the Board for consideration prior to requesting bids.

Approved unanimously.
At Chairman Martin's request, Mr. Thomas reviewed the arrangements that had been made by the staff group working on the program for the Fourth Meeting of Technicians of Central Banks of the American Continent, to convene in Washington on Monday, May 3, 1954. There followed a general discussion of the program for the meeting including plans made for entertainment of the visiting delegates by means of a trip from Washington to Richmond and Williamsburg, Virginia, on Friday afternoon, May 7, and Saturday, May 8. During the course of the discussion, Chairman Martin suggested that Mr. Thomas be authorized by the Board to complete the detailed arrangements referred to, including the selection of not more than five members of the Board's staff to accompany the delegates on the trip to Richmond and Williamsburg, with the understanding that the Board would pay the costs of that trip for such members of the Board's staff and their wives as might be designated to go.

This suggestion was approved unanimously.

At this point Messrs. Thomas and Dembitz withdrew from the meeting and Mr. Bethea entered the room.

Governor Robertson outlined certain proposed revisions in the plan for relocation of the Board's offices in the event of enemy attack, these revisions having been made principally as a result of a request by the Office of Defense Mobilization that the earlier plan be reviewed in
terms of a relocation for a period of at least one year rather than three months. Governor Robertson stated that under the proposed revision in the plan some 75 to 80 members of the Board's organization would be designated to proceed to the relocation center in the event of an attack. This total would compare with the designation of 41 individuals under the plan approved by the Board on September 11, 1951 and revised April 1, 1953. In this connection, Governor Robertson presented a list of individuals who had been selected by the heads of the Board's offices and divisions for assignment to the relocation center and he suggested that this list be tentatively approved with the understanding that other names could be substituted if, for any reason, a substitution seemed to be desirable. In connection with the foregoing discussion, Governor Robertson stated that a date had been selected for a test of the use of relocation centers by various Government agencies and that it would be his recommendation that when this test was made the members of the staff who had been working on the relocation program be authorized to proceed to the relocation center for the test.

Chairman Martin suggested that Governor Robertson be designated as the Chairman's alternate in matters relating to plans for relocation of operations in the event of enemy attack.

The suggestions of Chairman Martin and Governor Robertson were approved unanimously.

Governor Robertson also suggested that, for reasons which he stated, the position occupied by Mr. Sherman, Assistant Secretary, be
designated by the Board as "sensitive", with the understanding that this would necessitate a full field investigation of Mr. Sherman pursuant to the program established under Executive Order 10450.

Approved unanimously.

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 28, 1954, were approved unanimously.

Memorandum dated April 26, 1954, from Mr. Carpenter, Secretary of the Board, recommending that the resignation of Diane K. Vigeant, Minutes Clerk in the Office of the Secretary, be accepted effective April 30, 1954.

Approved unanimously.

Letter to Mr. Dawes, Vice President and Secretary, Federal Reserve Bank of Chicago, reading as follows:

The Board of Governors approves the payment of salary to Mr. Leland M. Ross as an officer of the Federal Reserve Bank of Chicago with the title of Assistant Chief Examiner effective June 1, 1954, at the rate of $10,000 per annum, which is the rate fixed by the Board of Directors as indicated in your letter of April 23, 1954.

Approved unanimously.

Letter to The Chase National Bank of the City of New York, New York, New York, reading as follows:

In view of your request submitted through the Federal Reserve Bank of New York and the information contained in
your letter dated April 21, 1954, the Board of Governors extends to July 1, 1954, the time within which you may establish an additional branch in Havana, Cuba, at Amistad 304, under the authority granted in the Board's letter of May 26, 1953.

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

Letter to the Board of Directors, The People's Bank Company, Canal Winchester, Ohio, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors approves the establishment of a branch at 235 Front Street, Groveport, Ohio, by The People's Bank Company, Canal Winchester, Ohio, provided the branch is established by October 13, 1954.

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

Letter to The Merchants National Bank of Terre Haute, Terre Haute, Indiana, 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 registrar of stocks and bonds, assignee, receiver, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State of Indiana. The exercise of these powers, in addition to those heretofore granted to act as trustee, executor, administrator, guardian of estates, and committee of estates of lunatics, 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 Merchants National Bank of Terre Haute is now authorized to exercise will be forwarded to you in due course.

Approved unanimously, for transmittal through the Federal Reserve Bank of Chicago.
Letter to The First National Bank of Harlingen, Harlingen, Texas, reading as follows:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Texas, the exercise of all such rights to 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 Harlingen is now authorized to exercise will be forwarded to you in due course.

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

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

As recommended in your letter April 20 Board extends to June 15, 1954, time within which Security Trust & Savings Bank of San Diego, San Diego, California, may establish branch at southwest corner Fourth and University Avenue, San Diego.

Approved unanimously.

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

Reference is made to your letter of April 16, 1954, concerning a request of the American Trust Company, San Francisco, California, for an extension of time within which it may establish a branch on Alum Rock Avenue near White Road in Santa Clara County.
In view of the circumstances and your favorable recommendation, the Board of Governors has approved an extension to November 22, 1954, of the time within which the branch may be established. Please notify the bank of this action.

Approved unanimously.

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

The Board will interpose no objection to the expenditure of approximately $275,000 for the program outlined in your letter of April 9, 1954, which involves the following changes at the Head Office:

- The conversion of the power requirement from DC to AC current.
- The installation of standby equipment to serve the minimum needs of the Bank for electricity in case of emergencies.
- The discontinuance of the Bank's power plant.

It is noted that provision for the estimated expense of $20,000 for replacing bank equipment motors in connection with the conversion was not made in the Bank's budget for 1954. Appropriate notation of this unforeseen expenditure will be made in the Board's copy of the budget.

Approved unanimously.

[Signature]
Secretary