

NOMINATION OF C. CANBY BALDERSTON

HEARING
BEFORE THE
COMMITTEE ON BANKING AND CURRENCY
UNITED STATES SENATE
EIGHTY-THIRD CONGRESS
SECOND SESSION
ON
THE NOMINATION OF C. CANBY BALDERSTON TO BE A
MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL
RESERVE SYSTEM

AUGUST 5, 1954

Printed for the use of the Committee on Banking and Currency



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1954

51414

COMMITTEE ON BANKING AND CURRENCY

HOMER E. CAPEHART, Indiana, *Chairman*

JOHN W. BRICKER, Ohio
IRVING M. IVES, New York
WALLACE F. BENNETT, Utah
PRESCOTT BUSH, Connecticut
J. GLENN BEALL, Maryland
FREDERICK G. PAYNE, Maine
BARRY GOLDWATER, Arizona

BURNET R. MAYBANK, South Carolina
J. WILLIAM FULBRIGHT, Arkansas
A. WILLIS ROBERTSON, Virginia
JOHN SPARKMAN, Alabama
J. ALLEN FREAR, Jr., Delaware
PAUL H. DOUGLAS, Illinois
HERBERT H. LEHMAN, New York

IRA DIXON, *Chief Clerk*
RAY S. DONALDSON, *Staff Director*

NOMINATION OF C. CANBY BALDERSTON

THURSDAY, AUGUST 5, 1954

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D. C.

The committee met, pursuant to call, at 10:10 a. m., in room 301, Senate Office Building, Senator Homer E. Capehart (chairman) presiding.

Present: Senators Capehart, Ives, Bennett, Bush, Beall, Payne, Goldwater, Maybank, Fulbright, and Lehman.

The CHAIRMAN. We will now consider the nomination of C. Canby Balderston to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1952, to fill an existing vacancy. Mr. Balderston, will you be seated, please?

We have the unanimous endorsement of the two Senators from Pennsylvania, Senator Martin and Senator Duff. Without objection, I will place in the record Mr. Balderston's biography.

(The biographical sketch referred to follows:)

BIOGRAPHICAL SKETCH OF C. CANBY BALDERSTON

Dean, and professor of industry, Wharton School of Finance and Commerce, University of Pennsylvania.

Born Kennett Square, Pa., February 1, 1897; son of John L. and Anna E. (Marshall) Balderston; married Gertrude Emery, July 28, 1922 (deceased); children: Frederick E., Robert W.; married for the second time, Ida Roberts Smedley, November 21, 1942; stepchildren: Walter, Henry, Alice.

Schooling: Westtown School, 1912-14; Pennsylvania State College, 1915-17; B. S. in economics, University of Pennsylvania, 1921; Ph. D., 1928.

Member, board of directors, Federal Reserve Bank of Philadelphia, April 8, 1943, to December 31, 1953; deputy chairman, Federal Reserve Bank of Philadelphia, March 18, 1949, to December 31, 1953.

Assistant professor of industry, University of Pennsylvania, 1925-31; professor since 1931; dean, Wharton School of Finance and Commerce since 1941; chief, War Department Wage Administration Agency, and of Wage Administration Section, Headquarters, Army Service Forces, 1942-45; president, Leeds & Lipincott.

Vice president and director, Philadelphia Chamber of Commerce; trustee: Bryn Mawr College, Industrial Relations Counselors; chairman of board, National Bureau of Economic Research; former president, American Association Collegiate School of Business; chairman of investment committee, Westtown School; member board of managers, Friends Hospital, Frankford.

Member: American Management Association, American Economic Association, Society for Advancement of Management, Theta Xi, Beta Gamma Sigma (president), Society of Friends.

Clubs: Franklin Inn, Rolling Green Golf, Lenape, Ozone.

Author: Managerial Profit Sharing, 1928; Profit-Sharing for Wage Earners, 1937; Group Incentives, 1930; Executive Guidance of Industrial Relations, 1935; Wage Setting, 1940.

Coauthor: Wages—A Means of Testing Their Adequacy, 1931; Management of an Enterprise, 1935; Management of a Textile Business, 1938.
Home: Penncrest, Media, Pa.

The CHAIRMAN. Are there any letters for or against this gentleman? Is there anyone here who wishes to testify against this gentleman? Is there anyone here who wishes to testify for him? I see the Chairman of the Board of Governors of the Federal Reserve System is here.

STATEMENT OF WILLIAM McC. MARTIN, CHAIRMAN, BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM

Mr. MARTIN. I am very glad to testify for Mr. Balderston, to express my pleasure at his nomination and to express my confidence in the belief that the capacity and character of the Board is being enhanced by his appointment.

The CHAIRMAN. Senator Bush, do you have any questions? Senator Payne? Senator Maybank?

Senator MAYBANK. I don't have any questions, but I do think the record of a confirmation of this kind, should show a statement by Mr. Balderston as to how he feels about the Federal Reserve Board, and what his attitude has been as a member of the Federal Reserve System, as I understand it, in Philadelphia. It has always been customary to have such a statement by the individual himself, as Mr. Martin well knows when we confirmed him.

The CHAIRMAN. You have been a member of the Federal Reserve bank in Philadelphia?

STATEMENT OF C. CANBY BALDERSTON, NOMINEE AS MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. BALDERSTON. Yes.

The CHAIRMAN. Do you believe that the Federal Reserve System should be just as independent as is humanly possible for good governmental operation? It isn't entirely independent of the Secretary of the Treasury and the President of the United States.

Mr. BALDERSTON. I recognize that it is an agent of the Congress. I recognize that it occupies a position of trusteeship to many interests. I believe that its mission can be accomplished best if it is independent.

The CHAIRMAN. I presume you recognize that there must be a certain amount of cooperation and coordination between all governmental agencies?

Mr. BALDERSTON. Yes.

The CHAIRMAN. The whole matter has to be coordinated. It just can't run wild. There has to be a certain amount of coordination and cooperation.

Are there any other questions?

Senator MAYBANK. I have one statement, Mr. Chairman. He is taking the place of a former member of the Board who was from Atlanta; am I wrong?

Mr. MARTIN. No, he is taking Oliver Powell's place, who was from Minneapolis.

Senator MAYBANK. There is no one from Atlanta now?

Mr. MARTIN. No.

Senator MAYBANK. There is no one from Dallas, Tex.?

Mr. MARTIN. No.

Senator MAYBANK. There is no one from the South, is there? There has been no one from the time that Carter Glass formed the Board.

Senator PAYNE. And nobody from New England.

Senator MAYBANK. That is right. It is a lot closer from New York and New England than from Dallas.

I just wanted the record to show that in case there should be another appointment, the President should consider someone from that area.

The CHAIRMAN. Thank you very much. We appreciate your appearing. We will now go into executive session. Then at 10:30 we will have a public hearing on the FHA investigation with Mr. George Marcus, attorney from New Jersey.

(Whereupon, the committee went into executive session.)

×