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**CURRENT EVENTS AND ANNOUNCEMENTS**

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**Appointments of Chairmen, Deputy Chairmen, and Directors**

The following designations and appointments at the Federal Reserve Banks and branches have been made by the Board of Governors of the Federal Reserve System.

**CHAIRMEN AND FEDERAL RESERVE AGENTS FOR YEAR 1950**

<i>Federal Reserve Bank</i>	<i>Name of Appointee</i>
Boston . . . .	.. Albert M. Creighton of Boston, Massachusetts
New York	.. Robert T. Stevens of South Plainfield, New Jersey
Philadelphia .	.. Warren F. Whittier of Chester Springs, Pennsylvania
Cleveland .	.. George C. Brainard of Lyndhurst, Ohio
Richmond .	.. Charles P. McCormick of Baltimore, Maryland
Atlanta	... Frank H. Neely of Atlanta, Georgia
Chicago .	..* F. J. Lunding of Highland Park, Illinois
St. Louis . . . .	.. Russell L. Dearmont of St. Louis, Missouri
Minneapolis .	.. Roger B. Shepard of St. Paul, Minnesota
Kansas City .	.. Robert B. Caldwell of Kansas City, Missouri
Dallas . . . . .	.. J. R. Parten of Houston, Texas
San Francisco . .	.. Brayton Wilbur of Burlingame, California

**DEPUTY CHAIRMEN FOR YEAR 1950**

Boston . . . . .	... Harold D. Hodgkinson of Boston, Massachusetts
New York . . . .	.. William I. Myers of Ithaca, New York
Philadelphia .	.. C. Canby Balderston of Media, Pennsylvania
Cleveland	.. A. Z. Baker of Fairview Park, Ohio
Richmond	.. John B. Woodward, Jr., of Newport News, Virginia
Atlanta	... Rufus C. Harris of New Orleans, Louisiana
Chicago .	..* John S. Coleman of Detroit, Michigan
St. Louis . . . .	..... Wm. H. Bryce of Memphis, Tennessee
Minneapolis .	..... W. D. Cochran of Iron Mountain, Michigan
Kansas City .	.. Robert L. Mehornay of Kansas City, Missouri
Dallas . . . .	.. R. B. Anderson of Vernon, Texas
San Francisco . .	.. Harry R. Wellman of Berkeley, California

**CLASS C DIRECTORS**

(Appointed for three-year terms beginning January 1, 1950)

Boston . . . . .	..... Harold D. Hodgkinson of Boston, Massachusetts
Philadelphia . . . .	..... Warren F. Whittier of Chester Springs, Pennsylvania
Cleveland . . . . .	..... George C. Brainard of Lyndhurst, Ohio
Richmond . . . . .	..... John B. Woodward, Jr., of Newport News, Virginia

\* Indicates position filled by a new incumbent.

## CURRENT EVENTS AND ANNOUNCEMENTS

CLASS C DIRECTORS—*Continued*

<i>Federal Reserve Bank</i>	<i>Name of Appointee</i>
Atlanta	.. Rufus C. Harris of New Orleans, Louisiana
Chicago	.. * John S. Coleman of Detroit, Michigan
St. Louis ..	.. Russell L. Dearmont of St. Louis, Missouri
Minneapolis .	.. W. D. Cochran of Iron Mountain, Michigan
Kansas City .	.. Robert B. Caldwell of Kansas City, Missouri
Dallas . . .	.. J. R. Parten of Houston, Texas
San Francisco	.. Brayton Wilbur of Burlingame, California

## BRANCH DIRECTORS

<i>Federal Reserve Bank and Branch</i>	<i>Name of Appointee</i>
<i>New York</i>	
Buffalo	.. * Edgar F. Wendt of Buffalo, New York
<i>Cleveland</i>	
Cincinnati	.. * H. C. Besuden of Winchester, Kentucky
Pittsburgh .	.. Sidney A. Swensrud of Pittsburgh, Pennsylvania
<i>Richmond</i>	
Baltimore	.. L. Vinton Hershey of Hagerstown, Maryland
Charlotte .	.. W. A. L. Sibley of Union, South Carolina
<i>Atlanta</i>	
Birmingham	.. Thad Holt of Birmingham, Alabama
Jacksonville .	.. Howard Phillips of Orlando, Florida
Nashville .	.. W. Bratten Evans of Nashville, Tennessee
New Orleans	.. E. O. Batson of New Orleans, Louisiana
<i>Chicago</i>	
Detroit	.. † Ben R. Marsh of Grosse Pointe, Michigan
<i>St. Louis</i>	
Little Rock	.. * Stonewall J. Beauchamp of Little Rock, Arkansas
Louisville	.. Smith D. Broadbent, Jr., of Cadiz, Kentucky
Memphis	.. Hugh M. Brinkley of Hughes, Arkansas
<i>Minneapolis</i>	
Helena	.. *† W. A. Denecke of Bozeman, Montana
<i>Kansas City</i>	
Denver . . . . .	.. *† Harold F. Silver of Denver, Colorado
Oklahoma City	.. † Cecil W. Cotton of Tulsa, Oklahoma
Omaha	.. † Joseph W. Seacrest of Lincoln, Nebraska

\* Indicates position filled by a new incumbent.

† Indicates appointment for two-year term beginning Jan. 1, 1950. All other appointments are for three-year terms.

## CURRENT EVENTS AND ANNOUNCEMENTS

BRANCH DIRECTORS—*Continued*

<i>Federal Reserve Bank and Branch</i>	<i>Name of Appointee</i>
<i>Dallas</i>	
El Paso	. . . Hiram S. Corbett of Tucson, Arizona
Houston	. . * Charles N. Shepardson of College Station, Texas
San Antonio	. . * D. Hayden Perry of Robstown, Texas
<i>San Francisco</i>	
Los Angeles	. . *† Paul H. Helms of Los Angeles, California
Portland	. . † Aaron M. Frank of Portland, Oregon
Seattle	. . *† Howard H. Preston of Seattle, Washington

The new appointees are as follows:

**Federal Reserve Bank of Chicago**

Mr. F. J. Lunding of Highland Park, Illinois, who has been a Class C director and Deputy Chairman of the Federal Reserve Bank of Chicago since January 1, 1949, was designated Chairman and Federal Reserve Agent for the year 1950. Mr. Lunding is President of the Jewel Tea Company, Inc., Barrington, Illinois.

Mr. John S. Coleman of Detroit, Michigan, was appointed a Class C director of the Federal Reserve Bank of Chicago for a three-year term beginning January 1, 1950, and Deputy Chairman for the year 1950. Mr. Coleman is President of the Burroughs Adding Machine Company, Detroit, Michigan.

*Branches***Federal Reserve Bank of New York**

Mr. Edgar F. Wendt of Buffalo, New York, was appointed a director of the Buffalo Branch of the Federal Reserve Bank of New York for a three-year term beginning January 1, 1950. Mr. Wendt is President of the Buffalo Forge Company, Buffalo, New York.

**Federal Reserve Bank of Cleveland**

Mr. H. C. Besuden of Winchester, Kentucky, was appointed a director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland for a three-year term beginning January 1, 1950. Mr. Besuden is engaged in farming.

**Federal Reserve Bank of St. Louis**

Mr. Stonewall J. Beauchamp of Little Rock, Arkansas, was appointed a director of the Little Rock Branch of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1950. Mr. Beauchamp is President of the Terminal Warehouse Company, Little Rock, Arkansas.

**Federal Reserve Bank of Minneapolis**

Mr. W. A. Denecke of Bozeman, Montana, was appointed a director of the Helena Branch of the Federal Reserve Bank of Minneapolis for a two-year term beginning January 1, 1950. Mr. Denecke is engaged in sheep ranching.

**Federal Reserve Bank of Kansas City**

Mr. Harold F. Silver of Denver, Colorado, was appointed a director of the Denver Branch of the Federal Reserve Bank of Kansas City for a two-year term beginning January 1, 1950. Mr. Silver is the owner and operator of the Silver Engineering Works, Denver, Colorado.

\* Indicates position filled by a new incumbent.

† Indicates appointment for two-year term beginning Jan. 1, 1950. All other appointments are for three-year terms.

## CURRENT EVENTS AND ANNOUNCEMENTS

The new appointees are as follows:—*Continued*

*Branches—Continued*

**Federal Reserve Bank of Dallas**

Mr. Charles N. Shepardson of College Station, Texas, was appointed a director of the Houston Branch of the Federal Reserve Bank of Dallas for a three-year term beginning January 1, 1950. Mr. Shepardson is the Dean of Agriculture, Agricultural and Mechanical College of Texas, College Station, Texas.

Mr. D. Hayden Perry of Robstown, Texas, was appointed a director of the San Antonio Branch of the Federal Reserve Bank of Dallas for a three-year term beginning January 1, 1950. Mr. Perry is engaged in ranching, farming, and the production of oil.

**Federal Reserve Bank of San Francisco**

Mr. Paul H. Helms of Los Angeles, California, was appointed a director of the Los Angeles Branch of the Federal Reserve Bank of San Francisco for a two-year term beginning January 1, 1950. Mr. Helms is President of Helms Bakeries, Los Angeles, California.

Mr. Howard H. Preston of Seattle, Washington, was appointed a director of the Seattle Branch of the Federal Reserve Bank of San Francisco for a two-year term beginning January 1, 1950. Mr. Preston is Professor of Money and Banking, College of Business Administration, University of Washington, Seattle, Washington.

**Appointments of Branch Directors**

On January 3, 1950, the Board of Governors announced the appointment of Mr. H. G. Sutton, a member of the firm of T. O. Sutton and Sons, Colmesneil, Texas, as a director of the Houston Branch of the Federal Reserve Bank of Dallas for the unexpired portion of the three-year term ending December 31, 1950. Mr. Sutton succeeds Mr. J. E. Wheat, Attorney at Law, Woodville, Texas, who resigned.

On January 12, 1950, the Federal Reserve Bank of Kansas City appointed Mr. Ellsworth Moser, President, The United States National Bank of Omaha, Omaha, Nebraska, as a director of the Omaha Branch for the unexpired portion of the two-year term ending December 31, 1951, to succeed Mr. Walter S. Byrne, General Manager, Metropolitan Utilities District of Omaha, Omaha, Nebraska, whose term expired.

**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period November 16, 1949 to December 15, 1949:

*Connecticut*

Hartford—The Hartford-Connecticut Trust Company.

JANUARY 1950



DIRECTORS OF FEDERAL RESERVE BANKS AND BRANCHES

		<i>Term Expires Dec. 31</i>
<b>Seattle Branch</b>		
<i>Appointed by Federal Reserve Bank:</i>		
Fred C. Forrest.....	Chairman of the Board and President, The First National Bank of Pullman, Pullman, Wash.....	1950
Benj. N. Phillips...	Chairman of the Board, First National Bank in Port Angeles, Port Angeles, Wash.....	1950
Lawrence M. Arnold.....	Chairman of the Board, Seattle-First National Bank, Seattle, Wash.....	1951
<i>Appointed by Board of Governors:</i>		
John M. McGregor <sup>1</sup> ..	President, McGregor Land and Livestock Company, Hooper, Wash.....	1950
Howard H. Preston...	Professor of Money and Banking, College of Business Administration, University of Washington, Seattle, Wash.	1951

<sup>1</sup> Chairman.

CURRENT EVENTS AND ANNOUNCEMENTS

**Appointment of Mr. Harris as First Vice President of the Federal Reserve Bank of Chicago**

Mr. E. C. Harris, who had been serving as a Vice President of the Federal Reserve Bank of Chicago assigned to the Detroit Branch since February 1, 1943, was appointed First Vice President of the Federal Reserve Bank of Chicago effective February 1, 1950. Mr. Harris succeeds Mr. Charles B. Dunn, who resigned.

**Changes in Board Staff**

Mr. Bray Hammond, who had been an employee of the Board for approximately 17 years and Assistant Secretary since November 1944, retired on February 1, 1950. He was succeeded by Mr. Kenneth A. Kenyon who until recently had been serving as a Federal Reserve Examiner in the Board's Division of Examinations.

**Federal Reserve Meeting**

The Conference of Chairmen of the Federal Reserve Banks, and the directors of the Federal Reserve Banks of New York and Minneapolis and their

Buffalo and Helena branches, respectively, met in Washington on January 16-17, 1950.

**Admissions of State Banks to Membership in the Federal Reserve System**

The following State banks were admitted to membership in the Federal Reserve System during the period December 16, 1949 to January 15, 1950:

*Alabama*

Gadsden—Alabama City Bank of Gadsden, Alabama

*Georgia*

Washington—The Washington Loan and Banking Company

*New Jersey*

Clifton—Bank of Allwood

*New York*

Alfred—University Bank

*Texas*

Snyder—West Texas State Bank

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on February 27, and on March 1 the Presidents met with the Board of Governors.

On February 28 and March 1 meetings of the Federal Open Market Committee were held. At the meeting on March 1, Thomas B. McCabe was re-elected as Chairman of the Committee and Allan Sproul as Vice Chairman. The representative members of the Committee elected by the Federal Reserve Banks for the period of one year beginning March 1, 1950, are Joseph A. Erickson, Allan Sproul, C. S. Young, Chester C. Davis, and J. N. Peyton, Presidents of the Federal Reserve Banks of Boston, New York, Chicago, St. Louis, and Minneapolis, respectively.

The Federal Advisory Council met in Washington on February 19-21. The annual organization meeting of the Council was held on February 19, at which Edward E. Brown, Chairman of The First National Bank of Chicago, was re-elected President; Robert V. Fleming, President and Chairman of The Riggs National Bank, was elected Vice President; and Herbert V. Prochnow was re-appointed Secretary. The Council met with the Board of Governors of the Federal Reserve System on February 21.

### Changes in Board's Staff

The Board of Governors made the following appointments in its Division of Research and Statistics, effective March 1, 1950:

Mr. Frank R. Garfield, Adviser on Economic Research.

Mr. Arthur W. Marget, Adviser on International Finance.

Mr. Guy E. Noyes, Assistant Director.

Mr. Garfield has been employed in the Division of Research and Statistics since June 17, 1929, his most recent position being that of Chief of Business Conditions Section.

Mr. Marget was employed by the Board on January 4, 1950, as Specialist in International Finance

in the Division of Research and Statistics. Prior to his appointment by the Board he was employed by the Economic Cooperation Administration and served in the capacity of Chief of the Finance Branch, Office of Special Representative, Paris, France.

Mr. Guy E. Noyes has been employed by the Board as Assistant to the Director, Division of Research and Statistics, since November 1, 1948.

### Appointment of Class C Director

The Board of Governors on March 15, 1950, announced the appointment of Mr. Joseph H. Moore of Charleston, Missouri, as a Class C director of the Federal Reserve Bank of St. Louis to fill the vacancy in the three-year term ending December 31, 1951. Mr. Moore is engaged in farming.

### Appointment of Branch Director

On February 17, 1950, the Board of Governors announced the appointment of Mr. F. M. Browning, President, Ogden Buick Sales Company, Ogden, Utah, as a director of the Salt Lake City Branch of the Federal Reserve Bank of San Francisco for the unexpired portion of the two-year term ending December 31, 1951. Mr. Browning succeeds Mr. Henry Aldous Dixon, President, Weber College, Ogden, Utah, whose term expired.

### Death of Director

Mr. J. Roy Faucett, a member of the firm of Faucett Brothers, Northport, Alabama, who had served as a director of the Birmingham Branch of the Federal Reserve Bank of Atlanta since January 1, 1948, died on February 19, 1950.

### Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period January 16, 1950 to February 15, 1950:

#### *Michigan*

Breckenridge—The Farmers State Bank of Breckenridge, Michigan

## CURRENT EVENTS AND ANNOUNCEMENTS

**Revised Edition of Historical Supplement to Monthly Federal Reserve Charts on Bank Credit, Money Rates, and Business—Price Reduction for Chart Books**

Early next month the Board of Governors will have available for distribution a substantially revised and enlarged edition of the historical supplement to the monthly *Federal Reserve Chart Book on Bank Credit, Money Rates, and Business*. Many new charts have been added to those published in the October 1949 issue, and most charts include plotting space through 1951. The new charts relate to bank credit, production, prices, and agriculture, and new sections of charts have been added on banking structure and bank earnings, Government finance, and consumer finance. The revised edition is of the same general format as the monthly book and contains 113 pages of charts. In most cases the period covered by the charts begins with 1919 or some earlier year. All charts include the latest data available on March 17, 1949.

By recent action of the Board both the annual subscription price and the per copy price of the monthly Chart Book have been reduced. Effective immediately, the annual subscription price will be \$6.00. Individual copies of monthly issues will be sold at 60 cents each; in quantities of 10 or more copies for single shipment, there will be a special price of 50 cents each. The historical supplement will be distributed free to annual subscribers to the monthly Chart Book; the purchase prices of single and multiple copies of the supplement will be the same as those given above for individual issues of the monthly book. Orders should be sent to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

## 1950 SURVEY OF CONSUMER FINANCES

month period as they had been at the beginning of 1949 or at the midpoint of last year. The proportion of those looking for price declines dropped from about one-half to one-third of those interviewed. On the other hand, there seemed to be a slight increase in the group who thought prices would probably rise in the coming months.

6. There continued to be a sharp divergence between consumer expectations for prices in general and for prices of automobiles and other durable goods. Although only a third of the spending units were looking for prices in general to decline, more than half were of the opinion that reductions would take place in the hard goods lines.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Appointment of Branch Director**

On March 22, 1950, the Board of Governors announced the appointment of Dr. John M. Gallalee, President of the University of Alabama, Tuscaloosa, Alabama, as a director of the Birmingham Branch of the Federal Reserve Bank of Atlanta for the unexpired portion of the term ending December 31, 1950. Dr. Gallalee succeeds Mr. J. Roy Faucett, a member of the firm of Faucett Brothers, Northport, Alabama, deceased.

**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period February 16, 1950 to March 15, 1950:

*Texas*

Pittsburg—First State Bank

## OWNERSHIP OF DEMAND DEPOSITS

ery and other purposes notwithstanding continued reductions in prices of farm products. The decline in farmers' balances extended to all Federal Reserve districts but three, although with varying intensity. This is illustrated in Table 3. The only sizable increase in farm deposits occurred in the Dallas District and amounted to 30 million dollars, or 4 per cent. From district to district the direction of change was somewhat more uniform for farmers' deposits than for nonfarm personal balances, as Table 3 shows. Within particular districts the percentage variations from 1949 levels were generally greater for farm than for nonfarm deposits.

**Trust funds.** Uninvested trust funds carried as demand deposits in commercial banks declined by slightly less than 50 million dollars in 1949, following a reduction of about 100 million during 1948. A good part of this decline is probably the

result of a shifting of some trust funds from demand deposits to time deposits by the trustee banks. There is evidence that such shifting of trust funds began about mid-1948.

**Large and small accounts.** Analysis according to size of deposit indicates that during 1949 there was an increase in the amount and the percentage of demand deposits held in the largest accounts (more than \$25,000) and a decrease in the amount and the proportion of such deposits held in the smallest accounts (less than \$10,000). These changes characterized both business and personal deposits. A slight shifting of demand deposits toward the larger account sizes was also evident in last year's survey. This development could be due both to increases in the larger deposits and to a rise in the smaller balances that advanced them to larger size classes.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Federal Reserve Meetings**

The Federal Advisory Council held a meeting in Washington on May 14-16, 1950, and met with the Board of Governors of the Federal Reserve System on May 16, 1950.

**Death of Branch Director and Appointment of Successor**

Mr. Holmes D. Baker, President, The Citizens National Bank of Frederick, Frederick, Maryland, who had served as a director of the Baltimore Branch of the Federal Reserve Bank of Richmond since January 1, 1946, died on April 15, 1950.

On April 28, the Federal Reserve Bank of Richmond appointed Mr. Charles A. Piper, President, Liberty Trust Company, Cumberland, Maryland, as a director of the Baltimore Branch for the unexpired portion of the term ending December 31, 1951, to succeed Mr. Baker.

**Appointment of Class C Director**

The Board of Governors on April 25, 1950, announced the appointment of Mr. Robert P. Patterson of Cold Spring, New York, as a Class C director of the Federal Reserve Bank of New York

for the unexpired portion of the term ending December 31, 1952. Mr. Patterson is a member of the legal firm of Patterson, Belknap & Webb, New York, New York.

Formerly he was a judge of the United States District Court, Southern New York District, and was serving as a judge of the United States Circuit Court of Appeals, Second Circuit, when he resigned in July 1940 to become Assistant Secretary of War. He was appointed Under Secretary of War in December 1940 and served as Secretary of War from September 1945 to July 1947.

Mr. Patterson succeeds Mr. Robert D. Calkins, Vice President and Director, General Education Board, New York, New York, whose term expired.

**Resignation of Branch Director**

On May 12, 1950, the Board of Governors accepted the resignation of Mr. Harold F. Silver, President, Silver Engineering Works, Inc., Denver, Colorado, as a director of the Denver Branch of the Federal Reserve Bank of Kansas City. Mr. Silver had served the Branch as a director since January 1, 1950.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Appointment of Mr. Norton to the Board of Governors

The appointment of Mr. Edward L. Norton of Birmingham, Alabama, as a member of the Board of Governors for the term ending January 31, 1964, was approved by the Senate on June 2. When Mr. Norton takes office he will succeed Mr. Ernest G. Draper whose term expired January 31, 1950.

Mr. Norton was born in Blountsville, Alabama, on June 13, 1892. After receiving his B.S. degree at the Birmingham-Southern College in 1913, he continued his studies at the University of Alabama. Mr. Norton served as an Ensign in the United States Navy in World War I and from 1915 to 1939 he was associated with the Munger Companies which were engaged in real estate and manufacturing operations. He also served, under appointment by the Board of Governors, as a director of the Birmingham Branch of the Federal Reserve Bank of Atlanta from August 19, 1937 through December 31, 1946. During this period he served as Chairman of the Board of Directors for three and one-half years and as Vice Chairman for one year.

At the present time Mr. Norton is President of the Coosa River Newsprint Company, Coosa Pines, Alabama, Chairman of the Board of the Florida Broadcasting Company, Jacksonville, Florida, and Chairman of the Board of the Voice of Alabama, Inc., Birmingham, Alabama. He is also a director of the First National Bank of Birmingham, the Nehi Corporation, and the Avondale Mills.

Mr. Norton has been active for many years in educational work. He was selected to be one of the trustees of the General Education Board of New York and he is also Chairman of the Board of Trustees of the Birmingham-Southern College and Chairman of the Executive Committee of the

Board of Trustees of Miles College. Mr. Norton is affiliated with the Birmingham Branch of the American Red Cross as a director and is a member of the Alabama Advisory Committee of the Reconstruction Finance Corporation, the Alabama Planning Commission, and the Birmingham Chamber of Commerce.

### Federal Reserve Meetings

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on June 12 and 13, and on June 15 the Presidents met with the Board of Governors.

On June 13 and 14 a meeting of the Federal Open Market Committee was also held.

### Appointment of Branch Director

On June 6, 1950, the Board of Governors announced the appointment of Mr. Cecil Puckett, Dean of the College of Business Administration, University of Denver, Denver, Colorado, as a director of the Denver Branch of the Federal Reserve Bank of Kansas City for the unexpired portion of the term ending December 31, 1951. Mr. Puckett succeeds Mr. Harold F. Silver, President, Silver Engineering Works, Inc., Denver, Colorado, who resigned.

### Resignation of Branch Director

The Federal Reserve Bank of Kansas City on June 7, 1950, accepted the resignation of Mr. Robert L. Bosworth, Financial Vice President, Continental Oil Company, Ponca City, Oklahoma, as a director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City. Mr. Bosworth had served as a director since January 20, 1949.

## LAW DEPARTMENT

**Subsequent Application for Stay**

Thereafter, respondents made a similar application for a stay to Mr. Justice Burton of the United States Supreme Court, and, after a hearing, he denied the application on July 17, 1950.\*

**Purchase of Government Obligations by Federal Reserve Banks****Amendment to Section 14(b)**

By Act of Congress approved June 30, 1950, the authority of the Federal Reserve Banks under section 14(b) of the Federal Reserve Act to purchase direct and guaranteed obligations of the United States directly from the United States, which would

\* *Various statistical data published by the Board of Governors are subject to the outcome of this litigation.*

otherwise have expired on June 30, 1950, was extended until June 30, 1952. The text of the Act is as follows:

[PUBLIC LAW 589—81ST CONGRESS]

[CHAPTER 425—2D SESSION]

[S. 3527]

AN ACT

To amend section 14 (b) of the Federal Reserve Act, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 14 (b) of the Federal Reserve Act, as amended (U. S. C., 1946 edition, title 12, sec. 355), is amended by striking out "July 1, 1950" and inserting in lieu thereof "July 1, 1952" and by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1952."

Approved June 30, 1950.

**CURRENT EVENTS AND ANNOUNCEMENTS****Change in Board's Organization**

The Board of Governors established a new Division of International Finance effective July 1, 1950, in recognition of the importance of its work in this field. Formerly, the work pertaining to international finance was performed in the international unit of the Board's Division of Research and Statistics, and this unit now constitutes the new Division. Mr. Arthur W. Marget was appointed Director of the new Division, and Mr. Lewis N. Dembitz was appointed Assistant Director.

Mr. Marget, whose previous position with the Board was Adviser on International Finance in the Division of Research and Statistics, was Director of the Finance Division, Office of the Special Representative (ECA), in Paris from May 1948 to December 1949. Prior thereto, he had been Chief of the Economics and Finance Division, U. S. Element, Allied Commission for Austria, from 1945 to 1948. Before entering the Army in 1943, in

which he held the rank of Lieutenant Colonel, Mr. Marget was Professor of Economics and Finance at the University of Minnesota.

Mr. Dembitz' previous position with the Board was Chief of the International Financial Operations and Policy Section. He has been a member of the Board's staff since 1934, except for the period 1943-45 when he served in England as an adviser on strategic bombing problems on the staff of the Board of Economic Warfare and Foreign Economic Administration.

**Resignation of Branch Director**

Effective July 1, 1950, the Board of Governors accepted the resignation of Mr. James A. McCain, President, Montana State University, Missoula, Montana, as a director of the Helena Branch of the Federal Reserve Bank of Minneapolis. Mr. McCain had served the Branch as a director since January 1, 1949.

## ANNUAL REPORT OF THE BANK FOR INTERNATIONAL SETTLEMENTS

progress being rather in relation to Latin America and southeastern Asia. But Europe has a vital interest in regaining its old markets and resuming the traditional pattern of trade which, built up in the course of a hundred years, may be taken to reflect the deep-seated needs of many economies. Such a return to tradition, however, requires the proviso that sales should be made increasingly in free markets, with settlements in internationally recognised means of payment.

\* \* \*

To have to adapt the currents of commerce to compartments coinciding with particular currency areas or established by bilateral arrangements, or to grant credits and loans with the proceeds tied to purchases in specified countries, can only lead to a distortion of foreign trade and payments; and, in order to get away from such pernicious influ-

ences, progress must be made along the road to multilateralism and convertibility. It was generally recognised at the end of the second world war that the restoration of convertibility should be regarded as one of the more immediate aims of postwar policy. It may be that, in influential circles, there was too great a tendency to force the pace in the first few years, and that the setbacks which were suffered produced a rather hesitant state of mind. But, in view of the importance of unhampered and all-round trade for the nations of Europe, convertibility must be regarded not as a distant goal to be reached within a decade or two but as a primary objective to be attained within the few remaining years of Marshall aid, under conditions which, though different from those of twenty years ago, may hold out the hope of enduring settlements in an atmosphere of unquestioned monetary stability.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Appointment of Mr. Powell to the Board of Governors**

Mr. Oliver S. Powell, First Vice President of the Federal Reserve Bank of Minneapolis, was nominated from the Ninth Federal Reserve District on July 12 by President Truman to be a member of the Board of Governors of the Federal Reserve System, to fill the unexpired portion of the term ending January 31, 1952, left vacant by the death of Governor Lawrence Clayton. The appointment was confirmed by the Senate on August 9, 1950.

Mr. Powell was born in White Rock, South Dakota, September 17, 1896. He graduated from the University of Minnesota in 1917 where he specialized in banking, accounting, and foreign languages and received honors in economics. He joined the foreign service of the National City Bank of New York and was assigned to the Petrograd Branch of that Bank for six months in 1917 and 1918 when the outbreak of the Bolshevik Revolution occurred. Mr. Powell escaped through Siberia to return to the United States.

After service in the United States Navy from August 1918 until August 1920 as a Supply Officer on troop transports and destroyers, he joined the Federal Reserve Bank of Minneapolis in the Business Research Division. In June 1927 he became head of the Bank's Research Department and Edi-

tor of its Monthly Business Review and served as such until July 1936 when he was appointed a Vice President of the Bank. In November 1936 he was selected as the First Vice President and has served in that capacity since that time.

Mr. Powell has been active for many years in banking and civic affairs. He has headed various Reserve System committees on operating and related problems. In addition to developing two motion pictures on the Reserve System and a book, "Your Money and the Federal Reserve System," he has conducted classes in central banking for instructors in money and banking and is the author of a booklet "Questions and Answers on Gold."

He was the first educational director of the Minneapolis Chapter of the American Institute of Banking and subsequently its President. He has been a lecturer at the Graduate School of Banking, under the auspices of the American Bankers Association, at Rutgers University from 1939 to the present time and is well known to the graduates of that school in banks throughout the country. He has been a lecturer for the past five years at the Central States School of Banking, Madison, Wisconsin, and previously a lecturer in evening classes at the University of Minnesota.



## CURRENT EVENTS AND ANNOUNCEMENTS

Mr. Powell was a special consultant on investments of social insurance reserves for the Committee on Economic Security in 1934 and a special consultant in the development of the statistical office of the Federal Deposit Insurance Corporation in 1934 and 1935. In addition, he has been active in the YMCA, Boy Scouts of America, Minneapolis Chamber of Commerce, and the Northwest Shippers Advisory Board. He is an honorary member of Beta Gamma Sigma and Delta Sigma Pi. He is married and has three children, all married, and three grandchildren.

**Publication of the Annual Report of the  
Board of Governors**

The Thirty-sixth Annual Report of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1949, is available for distribution. Copies may be obtained upon request from the Board's Division of Administrative Services, Washington 25, D. C.

**Resignation of Class C Director**

On July 19, 1950, the Board of Governors accepted the resignation of Mr. Philip T. Sharples, Chairman of Board, The Sharples Corporation, Philadelphia, Pennsylvania, as a Class C director of the Federal Reserve Bank of Philadelphia. Mr.

Sharples had served as a Class C director since June 9, 1949.

**Appointment of Branch Director**

On August 14, 1950, the Board of Governors announced the appointment of Mr. John E. Corette, Jr., Vice President and Assistant General Manager, Montana Power Company, Butte, Montana, as a director of the Helena Branch of the Federal Reserve Bank of Minneapolis for the unexpired portion of the term ending December 31, 1950. Mr. Corette succeeds Mr. James A. McCain, President, Montana State University, Missoula, Montana, who resigned.

**Admissions of State Banks to Membership in the  
Federal Reserve System**

The following State banks were admitted to membership in the Federal Reserve System during the period June 16, 1950 to July 15, 1950:

*Indiana*

Whiting—State Bank of Whiting

*Oregon*

Cave Junction—Bank of Illinois Valley, Cave Junction, Oregon

*Texas*

Bellaire—First State Bank of Bellaire

## THE BALANCE SHEET OF AGRICULTURE, 1950

Agriculture has improved the physical base for its productivity over the last decade. Machinery and motor vehicles are more plentiful and of better quality than ever before. Many new scientific discoveries are being applied. Farm buildings have been repaired, remodeled, and built new at a very high rate in the last half of the decade. Soil improvements have offset soil depletion at least in part. On January 1, 1950, this physical basis for production, that is, physical assets, was valued in 1940 prices at 1.1 times what it had been 10 years earlier. In current prices, it was twice as much as in 1940.

Besides these tangible assets of agriculture, farm people had increased their financial assets by 4.4 times in the decade.

In the meantime, debts declined during the war

years to a low point in 1946 and then increased in the subsequent four years to a level 1.2 times that of 1940. The equities of proprietors, including landlords who do no farming as well as operating proprietors, increased by 2.6 times in the decade in response to the physical gains in the basic farm plant, the higher prices at which the plant was valued, and the greatly expanded holdings of financial assets by people living on farms.

As the uncertain international situation is faced, agriculture is equipped physically and financially for heavy production. The high degree of mechanization which represents a large capital investment minimizes the use of manpower. Yet this mechanization has made the farmer more dependent on replacement parts and motor fuel than in other periods.

### CURRENT EVENTS AND ANNOUNCEMENTS

#### New Members of the Board of Governors Assume Their Duties

Mr. Edward L. Norton and Mr. Oliver S. Powell, who were confirmed by the Senate as members of the Board of Governors on June 2 and August 9, respectively, took the oath of office and assumed their duties on September 1.

#### Complete List of All Members of the Board of Governors of the Federal Reserve System

On pages 1186-87 of this BULLETIN is a table which lists all members of the Board from the beginning of the Federal Reserve System, with information regarding the Federal Reserve districts from which they were appointed and their terms of office.

#### Federal Reserve Meetings

A meeting of the Federal Open Market Committee was held in Washington on August 18, 1950.

A meeting of the Chairmen of the Federal Reserve Banks, which was also attended by members of the Board of Governors, was held on September 18-19, 1950.

#### Death of Director

Mr. H. E. Atwood, President, First National Bank, Minneapolis, Minnesota, who had served as a Class A director at the Federal Reserve Bank of Minneapolis since January 1, 1950, died on August 27, 1950. During the years 1947 through 1949 Mr. Atwood served on the Federal Advisory Council as the member representing the Ninth Federal Reserve District.

#### Appointment of First Vice President at the Federal Reserve Bank of Minneapolis

Effective September 15, 1950, Mr. Albert W. Mills was elected First Vice President of the Federal Reserve Bank of Minneapolis for the unexpired portion of the five-year term which ends February 28, 1951.

Mr. Mills joined the staff of the Minneapolis Bank as an examiner in 1933 after approximately thirteen years of commercial banking experience. He has been an officer of the Bank since 1938 when he was elected Assistant Auditor and since January 1, 1947, has served as Vice President and Cashier.

Mr. Mills succeeds Mr. Oliver S. Powell who was recently appointed a member of the Board of Governors.

#### Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period July 16, 1950 to August 15, 1950:

#### *Alabama*

Monroeville—Monroe County Bank

#### *Illinois*

Silvis—Bank of Silvis

#### *Ohio*

Ottoville—The Ottoville Bank Company

#### *Texas*

Austin—Texas State Bank

Victoria—Victoria Bank and Trust Company

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

The Conference of Presidents of the Federal Reserve Banks met in Boston on September 20-22, 1950, and on September 27 the Conference met in Washington with the Board of Governors of the Federal Reserve System.

Meetings of the Federal Open Market Committee were held in Washington on September 28 and October 11, 1950.

The Federal Advisory Council held a meeting in Washington on October 1-3, 1950, and met with the Board of Governors of the Federal Reserve System on October 3, 1950.

### Death of Director

Mr. Charles E. Reed, President of Williams and Reed, Inc., Richmond, Virginia, who had served as a Class B director of the Federal Reserve Bank of Richmond since November 17, 1932, died on October 15, 1950.

### Changes in Board's Organization

The Board of Governors on September 13 announced the establishment of an Office of Real Estate Credit pursuant to the Executive Order of the President issued under the Defense Production Act of 1950. This Office is charged with the responsibility for the administration of regulations which the Board, with the concurrence of the Administrator of the Housing and Home Finance Agency, is authorized by the Executive Order to issue with respect to credit for new construction in the real estate field.

Mr. Charles T. Fisher, Jr., President of the Na-

tional Bank of Detroit, who had been serving as a special consultant to the Board in connection with financial and credit matters, was designated by the Board as Administrator of the newly created Office. Mr. Guy E. Noyes, Assistant Director of the Board's Division of Research and Statistics, was designated as Assistant Administrator.

Further in accordance with the Defense Production Act of 1950, the Board of Governors on September 27 reimposed Regulation V which relates to the guaranteeing of loans made to contractors, subcontractors, and other persons having Government contracts for production and deliveries or services deemed to be necessary for the national defense.

In addition to their other duties, Mr. Charles T. Fisher, Jr., will serve as Administrator of the Board's activities relating to this regulation, Mr. Gardner L. Boothe, II, Assistant Director of the Board's Division of Administrative Services, will serve as Deputy Administrator and Mr. George B. Vest, the Board's General Counsel, will serve as Counsel in connection with this function. Mr. J. J. Connell, Technical Assistant in the Division of Bank Operations, will serve also as assistant to Mr. Boothe and Mr. Howard H. Hackley, Assistant Counsel in the Legal Division, will serve also as assistant to Mr. Vest and as his alternate when necessary.

Mr. Kenneth B. Williams, Chief of the National Income, Moneyflows, and Labor Section of the Board's Division of Research and Statistics, was designated as Acting Assistant Director of that Division to replace Mr. Noyes during his absence.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meeting

A meeting of the Federal Open Market Committee was held in Washington on October 30, 1950.

### Election of Class A Director

The Federal Reserve Bank of Minneapolis, on November 7, 1950, announced the election of Mr. Arthur H. Quay, President, First National Bank of Minneapolis, Minnesota, as a Class A director of the Bank to fill the unexpired portion of the term ending December 31, 1952. Mr. Quay succeeds Mr. Henry E. Atwood, deceased.

### Change in Board's Staff

Mr. Millard, Director of the Board's Division of Examinations, has resigned to become a Vice President of the Federal Reserve Bank of San Francisco, effective December 1, 1950. To fill temporarily the vacancy caused by Mr. Millard's leaving, the Federal Reserve Bank of Richmond, at the Board's request, has made available for a period of about six months the services of Mr. Edward A. Wayne, Vice President, as Acting Director of the Division. During that period a permanent Director of the Division will be selected.

Effective October 30, 1950, Mr. Fred A. Nelson returned to the Division of Examinations as an Assistant Director. Mr. Nelson served as an examiner in that Division for a number of years and subsequently as Assistant Secretary of the Board and as Assistant Director of the Division of Administrative Services.

To fill temporarily the vacancy caused by Mr. Nelson's transfer, the Federal Reserve Bank of Philadelphia, at the request of the Board, has made available the services of Mr. Robert N. Hilkert, Vice President, for a period of about six months as Acting Director of the Board's Division of Personnel Administration. He will give his entire time to the assignment and during the six months period a permanent Director of the Division will be selected.

### Publication of Technical Study

*A Statistical Study of Regulation V Loans*, by Susan S. Burr and Elizabeth B. Sette, is now ready for distribution at the offices of the Board of Governors. During World War II the Federal Reserve

Banks, under the general direction of the Board of Governors (through Regulation V), acted as fiscal agents for the War and Navy Departments and the Maritime Commission in guaranteeing war production and contract termination loans made by commercial banks and other financing agencies. This arrangement was an innovation in war finance that enabled the commercial banking system to act promptly in providing war producers with working capital and thus lessened the need for direct Government financing.

The present study presents more detailed statistics of Regulation V loans than could be currently released while the program was in operation. The data are grouped to show the main characteristics of the lending program, such as the volume of credit made available, sizes of business and types of war production financed, the terms of loans, and the private financial institutions that participated. The purpose is to record for future use an experience gained under emergency pressure.

This study of Regulation V loans is a by-product of the research program of the Federal Reserve System. This program includes the development and maintenance of statistical tools and materials that contribute to an understanding of banking and monetary developments. Publication of any findings resulting from the research program does not indicate official endorsement of the views or conclusions expressed.

The pamphlet may be purchased for 25 cents or for 15 cents in group purchases of 10 or more for single shipment. Orders should be sent to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

### Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period September 16, 1950 to October 15, 1950:

#### *California*

Laguna Beach—Bank of Laguna Beach

#### *Colorado*

Pueblo—Arkansas Valley Bank

FEDERAL RESERVE BULLETIN

## FEDERAL RESERVE STATEMENT ON DEFENSE LOAN POLICY

preciated if you would care to write a letter to the President of the Federal Reserve Bank of your District so that we may have the benefit of your views with regard to the following questions or any other information that you would care to communicate: What types or classes of borrowers occasioned most of the new loans in your bank since midyear? Can you say whether their borrowing

is or is not largely seasonal? If not seasonal, can you identify a principal purpose? Do you expect the large demand for credit to taper off, continue, or increase in the next three months? Such other information and views as you would care to express on our mutual problem of curbing inflation would also be most welcome to the Federal Reserve System."

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 CURRENT EVENTS AND ANNOUNCEMENTS
**Federal Reserve Meetings**

The Federal Advisory Council held a meeting in Washington on November 19-21, 1950, and met with the Board of Governors of the Federal Reserve System on November 21, 1950.

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on November 27 and 28, 1950, and on November 29 the Presidents met with the Board of Governors.

On November 27 a meeting of the Federal Open Market Committee was held.

**Appointment of Branch Director**

On November 18, 1950, the Federal Reserve Bank of Kansas City appointed Mr. F. M. Overstreet, President, First National Bank at Ponca City, Ponca City, Oklahoma, as a director of the Oklahoma City Branch for the unexpired portion of the term ending December 31, 1950, to succeed Mr. Robert L. Bosworth, Financial Vice President,

Continental Oil Company, Ponca City, Oklahoma, who resigned.

**Resignation of Branch Director**

Effective December 15, 1950, the Board of Governors accepted the resignation of Mr. John W. Taylor, President, University of Louisville, Louisville, Kentucky, as a director of the Louisville Branch of the Federal Reserve Bank of St. Louis. Mr. Taylor had served the Branch as a director since January 1, 1949.

**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period October 16, 1950 to November 15, 1950:

*California*

Pico—Pico Citizens Bank

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Changes in Board's Organization

The Board of Governors on December 20, 1950, announced that it had created a new Division of Selective Credit Regulation for the purpose of consolidating staff work on consumer credit (Regulation W), real estate credit (Regulation X), and defense production loans (Regulation V). The new Division assumed the functions previously performed by the Division of Bank Operations in the field of consumer credit, by the Office of Real Estate Credit which has been discontinued, and by staff members in connection with defense production loans.

Mr. Arthur Phelan, Vice President of the Federal Reserve Bank of New York, was appointed Acting Director of the Division of Selective Credit Regulation. Mr. Phelan, who has been an officer of the Federal Reserve Bank of New York for many years, has had the responsibility in that Bank for the administration of Regulations V, W, and X.

Mr. Guy E. Noyes, who has been serving as Assistant Administrator of the Office of Real Estate Credit, was appointed an Assistant Director of the new Division. Mr. Gardner L. Boothe, II, formerly Assistant Director of the Division of Administrative Services, was appointed also as an Assistant Director of the new Division.

Last summer, in anticipation of the passage of the Defense Production Act, the Board of Governors obtained on a temporary basis the services of Mr. Charles T. Fisher, Jr., President of the National Bank of Detroit. As Administrator of the Office of Real Estate Credit and Administrator of the V loan program he directed the staff and liaison work in the development and administration of these activities. Mr. Fisher continues as a Special Consultant with respect to financial and credit matters including all three of the activities consolidated in the new Division. Mr. W. A. Clarke, President of W. A. Clarke Mortgage Company, Philadelphia, and Dr. Raymond J. Saulnier of Columbia University, who have been serving as consultants on real estate credit, continue to serve in that capacity.

### Changes in Board's Staff

Chester Morrill, Special Adviser to the Board, retired from active service with the Board effective

December 31, 1950. Mr. Morrill became associated with the Board on October 7, 1931, as Secretary of the Board and served as such until July 1, 1945, when he was appointed Special Adviser to the Board. He was Secretary of the Federal Open Market Committee from March 1, 1936 until his retirement.

Dwight L. Allen, who has been serving as Personnel Assistant since November 10, 1948, was appointed Assistant Director of the Division of Personnel Administration effective January 8, 1951. Mr. Allen became associated with the Board of Governors as a Personnel Technician in the Division of Personnel Administration on January 4, 1944.

Joseph E. Kelleher, who became associated with the Board of Governors on July 19, 1937, was appointed Assistant Director of the Division of Administrative Services effective January 9, 1951. Mr. Kelleher has been serving as Assistant to the Director of the Division since August 9, 1946.

Kenneth B. Williams, who became associated with the Board of Governors on December 24, 1941, as an Associate Economist in the Division of Research and Statistics, was appointed an Assistant Director of that Division effective January 11, 1951. Mr. Williams' entire service with the Board has been with the Division of Research and Statistics where he has been serving as Acting Assistant Director since October 6, 1950.

Susan S. Burr, who has been Assistant to the Director of the Division of Research and Statistics since October 17, 1948, was appointed Assistant Director effective January 11, 1951. Miss Burr joined the Board's Division of Research and Statistics on January 14, 1935.

### Appointment of Mr. Attebery as First Vice President of the Federal Reserve Bank of St. Louis

Mr. O. M. Attebery, who has been serving as a Vice President, was appointed First Vice President of the Federal Reserve Bank of St. Louis to succeed Mr. F. Guy Hitt who resigned effective January 3, 1951. Mr. Attebery has been a member of the Bank's staff since November 13, 1914, and has served as an officer since January 3, 1917.

CURRENT EVENTS AND ANNOUNCEMENTS

**Appointments of Branch Directors**

Mr. William M. Day, Vice President and General Manager, Michigan Bell Telephone Company, Detroit, Michigan, was appointed a director of the Detroit Branch of the Federal Reserve Bank of Chicago effective January 1, 1951, for the unexpired portion of the term ending December 31, 1951. Mr. Day succeeds Mr. Ben R. Marsh of Detroit, Michigan, who resigned.

Mr. Pierre B. McBride, President, Porcelain Metals Corporation, Louisville, Kentucky, was appointed a director of the Louisville Branch of the Federal Reserve Bank of St. Louis effective January 1, 1951, for the unexpired portion of the term ending December 31, 1951. Mr. McBride succeeds Mr. John W. Taylor, President, University of Louisville, Louisville, Kentucky, who resigned.

On January 12, 1951, the Board of Governors announced the appointment of Mr. G. R. Milburn, Manager, N-Bar Ranch, Grass Range, Montana, as a director of the Helena Branch of the Federal Reserve Bank of Minneapolis for the unexpired portion of the term ending December 31, 1951. Mr.

Milburn succeeds Mr. W. A. Denecke, a livestock rancher of Bozeman, Montana, who resigned.

**Resignations of Branch Directors**

Effective December 31, 1950, the Board of Governors accepted the resignation of Mr. Ben R. Marsh, Chairman of the Board, Michigan Bell Telephone Company, Detroit, Michigan, as a director of the Detroit Branch of the Federal Reserve Bank of Chicago. Mr. Marsh had served as a director of the Detroit Branch since January 1, 1948.

Effective December 31, 1950, the Board of Governors accepted the resignation of Mr. W. A. Denecke, a livestock rancher of Bozeman, Montana, as a director of the Helena Branch of the Federal Reserve Bank of Minneapolis. Mr. Denecke had served as a director of the Helena Branch since January 1, 1950.

Effective December 31, 1950, the Federal Reserve Bank of Kansas City accepted the resignation of Mr. J. D. Allen, President, The First National Bank of Eagle County, Eagle, Colorado, as a director of the Denver Branch. Mr. Allen had served as a director of the Denver Branch since January 1, 1947.

**Appointments of Chairmen, Deputy Chairmen, and Directors**

The following designations and appointments at the Federal Reserve Banks and branches have been made by the Board of Governors of the Federal Reserve System.

CHAIRMEN AND FEDERAL RESERVE AGENTS FOR YEAR 1951

<i>Federal Reserve Bank</i>	<i>Name of Appointee</i>
Boston . . . . .	..* Harold D. Hodgkinson of Boston, Massachusetts
New York . . . . .	..Robert T. Stevens of South Plainfield, New Jersey
Philadelphia . . . . .	... Warren F. Whittier of Chester Springs, Pennsylvania
Cleveland . . . . .	..George C. Brainard of Cleveland, Ohio
Richmond . . . . .	..Charles P. McCormick of Baltimore, Maryland
Atlanta . . . . .	... Frank H. Neely of Atlanta, Georgia
Chicago . . . . .	..F. J. Lunding of Highland Park, Illinois
St. Louis . . . . .	... Russell L. Dearmont of St. Louis, Missouri
Minneapolis . . . . .	..Roger B. Shepard of St. Paul, Minnesota
Kansas City . . . . .	... Robert B. Caldwell of Kansas City, Missouri
Dallas . . . . .	....J. R. Parten of Houston, Texas
San Francisco . . . . .	.....Brayton Wilbur of Burlingame, California

DEPUTY CHAIRMEN FOR YEAR 1951

Boston . . . . .	.....* Ames Stevens of North Andover, Massachusetts
New York . . . . .	.....William I. Myers of Ithaca, New York

\* Indicates position filled by a new incumbent.

CURRENT EVENTS AND ANNOUNCEMENTS

DEPUTY CHAIRMEN FOR YEAR 1951—*Continued*

<i>Federal Reserve Bank</i>	<i>Name of Appointee</i>
Philadelphia .....	... C. Canby Balderston of Media, Pennsylvania
Cleveland .....	..* John C. Virden of Shaker Heights, Ohio
Richmond .....	... John B. Woodward, Jr., of Newport News, Virginia
Atlanta .....	... Rufus C. Harris of New Orleans, Louisiana
Chicago .....	... John S. Coleman of Detroit, Michigan
St. Louis .....	... Wm. H. Bryce of Memphis, Tennessee
Minneapolis .....	... W. D. Cochran of Iron Mountain, Michigan
Kansas City .....	... Robert L. Mehornay of Kansas City, Missouri
Dallas .....	... R. B. Anderson of Vernon, Texas
San Francisco .....	... Harry R. Wellman of Berkeley, California

CLASS C DIRECTORS

(Appointed for three-year terms beginning January 1, 1951)

New York .....	.. Robert T. Stevens of South Plainfield, New Jersey
Philadelphia .....	... C. Canby Balderston of Media, Pennsylvania
Cleveland .....	..* John C. Virden of Shaker Heights, Ohio
Richmond .....	... Charles P. McCormick of Baltimore, Maryland
Atlanta .....	... Frank H. Neely of Atlanta, Georgia
Chicago .....	... Allan B. Kline of Vinton, Iowa
St. Louis .....	... Wm. H. Bryce of Memphis, Tennessee
Minneapolis .....	... Roger B. Shepard of St. Paul, Minnesota
Kansas City .....	... Robert L. Mehornay of Kansas City, Missouri
Dallas .....	... G. A. Frierson of Shreveport, Louisiana
San Francisco .....	... Wm. R. Wallace, Jr., of San Francisco, California

BRANCH DIRECTORS

<i>Federal Reserve Bank and Branch</i>	<i>Name of Appointee</i>
<i>New York</i>	
Buffalo .....	..* Robert C. Tait of Pittsford, New York
<i>Cleveland</i>	
Cincinnati .....	...* Granville R. Lohnes of Dayton, Ohio
Pittsburgh .....	..* H. A. Roemer, Jr., of Sharon, Pa.
<i>Richmond</i>	
Baltimore .....	..... James M. Shriver of Union Mills, Maryland
Charlotte .....	..... R. E. Ebert of Greenville, South Carolina
<i>Atlanta</i>	
Birmingham .....	... John M. Gallalee of University, Alabama
Jacksonville .....	... Marshall F. Howell of Jacksonville, Florida
Nashville .....	... C. E. Brehm of Knoxville, Tennessee
New Orleans .....	... H. G. Chalkley, Jr., of Lake Charles, Louisiana

\* Indicates position filled by a new incumbent.



CURRENT EVENTS AND ANNOUNCEMENTS

BRANCH DIRECTORS—*Continued*

<i>Federal Reserve Bank and Branch</i>	<i>Name of Appointee</i>
<i>Chicago</i>	
Detroit . . . . .	. . . *† John A. Hannah of East Lansing, Michigan
<i>St. Louis</i>	
Little Rock . . . . .	* Samuel B. Strauss of Little Rock, Arkansas
Louisville . . . . .	Alvin A. Voit of Louisville, Kentucky
Memphis . . . . .	M. P. Moore of Senatobia, Mississippi
<i>Minneapolis</i>	
Helena . . . . .	. . . † John E. Corette, Jr., of Butte, Montana
<i>Kansas City</i>	
Denver . . . . .	. . . . . † G. Norman Winder of Craig, Colorado
Oklahoma City . . . . .	. . . . . † Rufus J. Green of Duncan, Oklahoma
Omaha . . . . .	. . . . . † Fred S. Wallace of Gibbon, Nebraska
<i>Dallas</i>	
El Paso . . . . .	. . . . . Hal Bogle of Dexter, New Mexico
Houston . . . . .	. . . . . Herbert G. Sutton of Colmesneil, Texas
San Antonio . . . . .	. . . . . Edward E. Hale of Austin, Texas
<i>San Francisco</i>	
Los Angeles . . . . .	. . . . . † Fred G. Sherrill of San Marino, California
Portland . . . . .	. . . . . † R. B. Taylor of Adams, Oregon
Salt Lake City . . . . .	. . . . . † Merle G. Hyer of Lewiston, Utah
Seattle . . . . .	. . . . . *† Ralph R. Sundquist of Yakima, Washington

\* Indicates position filled by a new incumbent.

† Indicates appointment for two-year term beginning Jan. 1, 1951. All other appointments are for three-year terms.

The new appointees are as follows:

**Federal Reserve Bank of Boston**

Mr. Harold D. Hodgkinson of Boston, Massachusetts, who has been a Class C director of the Federal Reserve Bank of Boston since January 1, 1947, and Deputy Chairman since January 1, 1948, was designated Chairman and Federal Reserve Agent for the year 1951. Mr. Hodgkinson is Vice President, General Manager and Chairman of Management Board, Wm. Filene's Sons Company, Boston, Massachusetts.

Mr. Ames Stevens of North Andover, Massachusetts, who has been a Class C director of the Federal Reserve Bank of Boston since July 26, 1948, was appointed Deputy Chairman for the year 1951. Mr. Stevens is Treasurer and Director, Ames Worsted Company, Lowell, Massachusetts.

**Federal Reserve Bank of Cleveland**

Mr. John C. Virden of Shaker Heights, Ohio, was appointed a Class C director of the Federal Reserve Bank of Cleveland for a three-year term beginning January 1, 1951, and Deputy Chairman for the year 1951. Mr. Virden is Chairman of the Board, John C. Virden Company, Cleveland, Ohio.

CURRENT EVENTS AND ANNOUNCEMENTS

The new appointees are as follows: *Continued*

*Branches*

**Federal Reserve Bank of New York**

Mr. Robert C. Tait of Pittsford, New York, was appointed a director of the Buffalo Branch of the Federal Reserve Bank of New York for a three-year term beginning January 1, 1951. Mr. Tait is President of the Stromberg-Carlson Company, Rochester, New York.

**Federal Reserve Bank of Cleveland**

Mr. Granville R. Lohnes of Dayton, Ohio, was appointed a director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland for a three-year term beginning January 1, 1951. Mr. Lohnes is Treasurer of the National Cash Register Company, Dayton, Ohio.

Mr. H. A. Roemer, Jr., of Sharon, Pennsylvania, was appointed a director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland for a three-year term beginning January 1, 1951. Mr. Roemer is President of the Sharon Steel Corporation, Sharon, Pennsylvania.

**Federal Reserve Bank of Chicago**

Mr. John A. Hannah of East Lansing, Michigan, was appointed a director of the Detroit Branch of the Federal Reserve Bank of Chicago for a two-year term beginning January 1, 1951. Mr. Hannah is President of Michigan State College, East Lansing, Michigan.

**Federal Reserve Bank of St. Louis**

Mr. Samuel B. Strauss of Little Rock, Arkansas, was appointed a director of the Little Rock Branch of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1951. Mr. Strauss is President of Pfeifers of Little Rock, Little Rock, Arkansas.

**Federal Reserve Bank of San Francisco**

Mr. Ralph R. Sundquist of Yakima, Washington, was appointed a director of the Seattle Branch of the Federal Reserve Bank of San Francisco for a two-year term beginning January 1, 1951. Mr. Sundquist is an orchardist at Yakima, Washington.

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**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period November 16, 1950 to December 15, 1950:

*Louisiana*

Kenner—Merchants Trust & Savings Bank.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

Meetings of the Federal Open Market Committee were held in Washington on January 31, and on February 6, 7, and 8, 1951.

### Changes in Board's Staff

Mr. John C. Baumann, who had been serving as Assistant General Counsel since August 13, 1948, resigned effective January 31, 1951. Mr. Baumann had been associated with the Board's Legal Division since January 1, 1935.

Mr. Howard H. Hackley, Assistant Counsel, was appointed Assistant General Counsel effective February 1, 1951, to succeed Mr. Baumann. Mr. Hackley has been serving in the Board's Legal Division since July 31, 1933.

### Appointment of Mr. Delos C. Johns as President of the Federal Reserve Bank of St. Louis to Succeed Mr. Chester C. Davis

Mr. Delos C. Johns, formerly Vice President, General Counsel and Secretary of the Federal Reserve Bank of Kansas City, was appointed President of the Federal Reserve Bank of St. Louis effective February 1, 1951, to succeed Mr. Chester C. Davis. Mr. Johns became associated with the Federal Reserve System on July 16, 1945, as General Counsel and Secretary of the Federal Reserve Bank of Kansas City.

Mr. Davis resigned as President of the Federal Reserve Bank of St. Louis effective February 1, to become Associate Director of the Ford Foundation. Immediately prior to becoming President of the Federal Reserve Bank of St. Louis on April 15, 1941, Mr. Davis had served as a member of the Board of Governors of the Federal Reserve System from June 25, 1936.

### Appointment of Class C Director

On February 2, 1951, the Board of Governors announced the appointment of Dr. Karl T. Compton, Chairman of the Corporation, Massachusetts Institute of Technology, Cambridge, Massachusetts, as a Class C director of the Federal Reserve Bank of Boston for the unexpired portion of the term ending December 31, 1953.

Dr. Compton succeeds Mr. Albert M. Creighton of Boston, Massachusetts, whose term expired.

### Appointment of Branch Director

On January 18, 1951, the Federal Reserve Bank of Kansas City appointed Mr. Ramon B. Handy, Executive Vice President, The First National Bank of Greeley, Greeley, Colorado, as a director of the Denver Branch for the unexpired portion of the term ending December 31, 1952, to succeed Mr. J. D. Allen, President, The First National Bank of Eagle County, Eagle, Colorado, who resigned.

### Death of Director

Mr. J. R. Milam, President, The Cooper Company, Inc., Waco, Texas, who had served as a Class B director of the Federal Reserve Bank of Dallas since January 1, 1928, died on February 12, 1951.

### Federal Reserve Charts on Bank Credit, Money Rates, and Business

The Board of Governors has completed a revision of the monthly Federal Reserve Chart Book on Bank Credit, Money Rates, and Business. The first monthly issue of the revised charts, containing all information available as of February 9 with space for continuation through 1952, is now available. The figures used in bringing the charts up to date will be published each month in the Federal Reserve BULLETIN (see pages 221-225 of this issue).

The annual subscription price for 12 issues of the Chart Book and a copy of the supplementary historical Chart Book is \$6.00. Single copies of monthly issues or the historical supplement may be purchased for 60 cents each; in quantities of 10 or more copies of a single issue for shipment to one address, there is a special price of 50 cents per copy.

### Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period December 16, 1950 to January 15, 1951:

#### *Kentucky*

Flemingsburg—The People's Bank of Fleming County, Kentucky.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

The Federal Advisory Council met in Washington on February 18-20, 1951. The annual organization meeting of the Council was held on February 18, at which Edward E. Brown, Chairman of the First National Bank of Chicago, was re-elected President; Robert V. Fleming, President and Chairman of The Riggs National Bank, was re-elected Vice President; and Herbert V. Prochnow was reappointed Secretary. The Council met with the Board of Governors of the Federal Reserve System on February 20.

On March 1-2 and March 8 meetings of the Federal Open Market Committee were held. At the meeting on March 1, Thomas B. McCabe was re-elected Chairman of the Committee and Allan Sproul Vice Chairman. The representative members of the Committee elected by the Federal Reserve Banks for the period of one year beginning March 1, 1951, are Allan Sproul, Alfred H. Williams, Ray M. Gidney, H. G. Leedy, and R. R. Gilbert, Presidents of the Federal Reserve Banks of New York, Philadelphia, Cleveland, Kansas City, and Dallas, respectively.

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on March 7 and 8 and on March 9 the Presidents met with the Board of Governors of the Federal Reserve System.

### Changes in Board's Staff

Mr. Arthur Phelan, who had been serving as Acting Director of the Division of Selective Credit Regulation since the Division was established in December 1950, has reassumed his duties as a Vice President of the Federal Reserve Bank of New York. Mr. Phelan had been assigned to the Board of Governors for several months on a temporary basis in connection with the development and administration of selective credit activities.

Mr. Guy E. Noyes, who had been serving as Assistant Director of the Division of Selective Credit Regulation since its inception, was appointed Director of that Division, effective March 1, 1951. Mr. Noyes joined the Board's staff on November 1, 1948, as Assistant to the Director of the Division

of Research and Statistics and since has served successively as an Assistant Director of that Division and as Assistant Administrator of the Office of Real Estate Credit.

Mr. Henry Benner was appointed an Assistant Director of the Division of Selective Credit Regulation, effective February 18, 1951. Formerly, Mr. Benner was a Trust Examiner for the Federal Reserve Bank of Philadelphia and for several months prior to his recent appointment he had been on a temporary assignment with the Board of Governors in connection with activities relating to Regulation X.

Mr. E. A. Heath, an Assistant Cashier and an Assistant Secretary of the Federal Reserve Bank of Chicago, was appointed Acting Assistant Director of the Division of Selective Credit Regulation, effective March 9, 1951. Prior to this appointment, Mr. Heath had been serving for several months on a temporary assignment with the Board of Governors in connection with selective credit regulation activities.

Mr. G. R. Murff, formerly Chief Field Examiner, Division of Examinations, was transferred to the Office of the Secretary as an Assistant Secretary and assumed his new duties on February 21, 1951. Mr. Murff became associated with the Board of Governors on January 6, 1934, as a member of the Board's field examining staff.

Mr. Arthur H. Lang was designated Chief Federal Reserve Examiner in the Division of Examinations, effective February 21, 1951. Mr. Lang has served continuously as a member of the Board's field examining staff since his employment on March 28, 1942.

### Appointments of Presidents and First Vice Presidents of Federal Reserve Banks

The Board of Governors approved the appointments by the respective boards of directors of the Federal Reserve Banks of the following Presidents and First Vice Presidents for the terms beginning March 1, 1951. These appointments were made by the boards of directors and approved by the Board of Governors pursuant to the provisions of

CURRENT EVENTS AND ANNOUNCEMENTS

paragraph 4 of section 4 of the Federal Reserve Act, as amended:

<i>Federal Reserve Bank</i>	<i>President</i>	<i>First Vice President</i>
Boston	Joseph A. Erickson	Alfred C. Neal
New York	Allan Sproul	L. R. Rounds
Philadelphia	Alfred H. Williams	W. J. Davis
Cleveland	Ray M. Gidney	Wm. H. Fletcher
Richmond	Hugh Leach	J. S. Walden, Jr.
Atlanta	Vacancy	L. M. Clark
Chicago	C. S. Young	E. C. Harris
St. Louis	Delos C. Johns	O. M. Attebery
Minneapolis	J. N. Peyton	A. W. Mills
Kansas City	H. G. Leedy	Henry O. Koppang
Dallas	R. R. Gilbert	W. D. Gentry
San Francisco	C. E. Earhart	H. N. Mangels

All of the above represent reappointments with the exception of Mr. Neal at Boston.

Mr. Neal, who had been an officer of the Federal Reserve Bank of Boston since January 13, 1947, and Vice President and Director of Research since May 1, 1948, succeeded Mr. William Willett, who retired on March 1, 1951. Mr. Willett had served with the Federal Reserve Bank of Boston since its opening in November 1914. He was appointed an officer of the Bank on August 2, 1917, and had served as First Vice President since April 1, 1942.

**Retirement of President of the Federal Reserve Bank of Atlanta**

Mr. W. S. McLarin, Jr., who had served as President of the Federal Reserve Bank of Atlanta since May 9, 1941, retired on March 1, 1951. Mr. McLarin became associated with the Federal Reserve Bank of Atlanta on July 17, 1916, and had served as an officer since August 19, 1921.

**Death of Director**

Mr. Lewis H. Brown, Chairman of the Board, Johns-Mansville Corporation, New York, New York, who had served as a Class B director of the Federal Reserve Bank of New York since January 1, 1947, died on February 26, 1951.

**Admissions of State Banks to Membership in the Federal Reserve System**

The following State banks were admitted to membership in the Federal Reserve System during the period January 16, 1951 to February 15, 1951:

*Illinois*

Pontiac—Bank of Pontiac.

*Indiana*

Nashville—The Nashville State Bank.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Resignation of Mr. Thomas B. McCabe as a Member and Chairman of the Board of Governors

Mr. Thomas B. McCabe resigned as a member and Chairman of the Board of Governors effective March 31, 1951, to return to private enterprise. He had served as a member of the Board of Governors as well as Chairman since April 15, 1948. At the time Mr. McCabe was appointed to the Board of Governors, he had been serving as a Class C director of the Federal Reserve Bank of Philadelphia since August 24, 1937, and also as Chairman and Federal Reserve Agent since January 1, 1939.

Mr. McCabe's letter of resignation and the President's letter of acceptance follow:

March 9, 1951

My dear Mr. President:

It is my sincere request that you accept my resignation as Chairman and as a member of the Board of Governors of the Federal Reserve System, to become effective March 31, 1951.

You will recall that when you asked me to accept the appointment more than three years ago, I doubted if I could serve for more than a year. On several occasions I have brought up with you the subject of my resignation but after each discussion final action was postponed because it seemed that each successive time the task which faced us was more compelling.

Never before in the thirty-eight years of existence of the Federal Reserve System has the country ever had greater need of the wise and judicious exercise of its powers. The decision to resign under such circumstances has been one of the most difficult of my life as I have deep convictions about the preservation of the integrity and the fundamental concepts of the system.

I have felt that the Chairman of the Board of Governors has a special and dual role. As a Board member he must, with complete integrity, carry out at all times his responsibilities under the Federal Reserve Act. As Chairman he must strive conscientiously to harmonize internally and externally the policies of the Board with those of the President and the Administration. Throughout the three years since you honored me with the appointment, I have exerted the last ounce of my strength to meet both of these obligations.

Now that we have reached a satisfactory understanding and have inaugurated a completely new working arrangement with the Treasury, I feel that my personal reasons, with which you have been long familiar, must have overriding consideration.

I would like to express my appreciation of your confidence in appointing me to such high positions of public trust and for the personal friendship which you have accorded me.

With very best wishes, I am

Sincerely,

(Signed) Tom

The President,  
The White House.

U. S. Naval Station,  
Key West, Florida,  
March 15, 1951.

Dear Tom:

In view of your letter of March ninth and our earlier conversations on the subject, I feel that I have no choice but to accept your resignation as Chairman and as a member of the Board of Governors of the Federal Reserve System. Accordingly, I do accept it to take effect at the close of business on March 31, 1951.

I remember very well that when you first accepted this appointment at my request you were expecting to stay only one year. I appreciate very much the fact that you have been willing to extend your service from time to time at my request.

You have served the Government faithfully and well through more than a decade of your best and most fruitful years. You brought to your work an exceptional equipment gained through wide and varied experience in finance and industry. This enabled you to direct diverse operations and to give invaluable counsel in many fields of Government activity.

You have rendered distinguished service as Chairman of the Board of Governors of the Federal Reserve System. In this position, it has been your particular responsibility to seek to harmonize the activities of the Federal Reserve System with the activities and needs of the Government. As we have sought from time to time to meet changing economic conditions, we have been confronted with

## CURRENT EVENTS AND ANNOUNCEMENTS

many difficult problems. You have undertaken to help find solutions for those problems with wisdom, patience, and integrity. I am highly appreciative of your work as Chairman of the Federal Reserve Board.

I am particularly grateful for your part in bringing about the agreement between the Treasury Department and the Federal Reserve Board which was announced on March 3. You can be justly proud of this important step toward finding a solution of the problems which those two agencies must meet together.

With warm personal regards, and all good wishes,

Sincerely yours,

(Signed) HARRY S. TRUMAN

Honorable Thomas B. McCabe  
Chairman, Board of Governors of the  
Federal Reserve System  
Washington, D. C.

**Appointment of Mr. William McChesney Martin, Jr., as a Member and Chairman of the Board of Governors to Succeed Mr. McCabe**

Mr. William McChesney Martin, Jr., of New York, was appointed by the President on March 15 to succeed Mr. McCabe as a member of the Board of Governors for the unexpired portion of the term ending January 31, 1956. His appointment was confirmed by the Senate, without objection, on March 21, 1951, and Mr. Martin, who also was designated by the President as Chairman of the Board for a four-year term, took the oath of office and assumed his duties on April 2, 1951.

Mr. Martin was born in St. Louis, Missouri, on December 17, 1906, the son of William McChesney Martin and Rebecca Woods Martin. He received his B. A. degree from Yale University in 1928, attended Benton College of Law in St. Louis in 1931, and was a graduate student on a part-time basis at Columbia University from 1931 to 1937. In February 1951 Mr. Martin received the honorary degree "Doctor of Laws" from Temple University, Philadelphia, Pennsylvania. At the present time he is a trustee of Berry Schools, Atlanta, Georgia, and the Foreign Service Educational Foundation, Washington, D. C.

Mr. Martin served in the bank examination department of the Federal Reserve Bank of St. Louis in 1928 and 1929, was the head of the statistics department of A. G. Edwards & Sons in St. Louis from 1929 to 1931, and was a partner in the firm from May 1931 to July 1938. He was a member of

the New York Stock Exchange from June 1931 to July 1938 and, after having served in various capacities during this period, he served as President of the Exchange from July 1938 to April 1941. From 1932 to 1934 he also published and edited the *Economic Forum*.

On April 16, 1941, he was drafted under the Selective Service Act as a private in the U. S. Army and was commissioned successively as First Lieutenant, Captain, Major, Lieutenant Colonel, and on August 4, 1945, Colonel. Mr. Martin served also as Assistant to the Executive of the Munitions Assignments Board in Washington, D. C., and as Assistant to the Executive of the President's Soviet Protocol Commission. He was appointed a member of the Board of Directors of the Export-Import Bank in November 1945 and became Chairman and President in February 1946. In February 1949, he was appointed Assistant Secretary of the Treasury, the position in which he was serving at the time of his appointment to the Board of Governors.

Mr. Martin married Miss Cynthia Davis on April 3, 1942, and they have three children, Cynthia, Diana, and William III.

**Appointment of Mr. Malcolm H. Bryan as President of the Federal Reserve Bank of Atlanta**

Mr. Malcolm H. Bryan was appointed President of the Federal Reserve Bank of Atlanta for the unexpired portion of the five-year term ending February 28, 1956, and assumed office on April 1, 1951. He succeeded Mr. W. S. McLarin, Jr., who retired effective March 1, 1951.

Mr. Bryan previously had served as Vice President of the Federal Reserve Bank of Atlanta from April 12, 1938, to May 9, 1941, when he was appointed First Vice President. He resigned from this position effective October 18, 1946, to become associated with the Trust Company of Georgia. Mr. Bryan also served with the Federal Reserve System from December 1936 to April 1938 as a member of the staff of the Board of Governors, prior to which he had been a member of the faculty of the University of Georgia for more than ten years.

**Admissions of State Banks to Membership in the Federal Reserve System**

The following State banks were admitted to membership in the Federal Reserve System during the period February 16, 1951 to March 15, 1951:

*Illinois*

Alpha—Farmers State Bank of Alpha

*Maine*

Houlton—Houlton Trust Company

## LAW DEPARTMENT

fied period of not more than 3 months if (i) the transaction is to be terminated, and the article returned to the Registrant, on or before the expiration of the specified period, and (ii) the transaction is not renewable and does not directly or indirectly relate to or involve any subsequent lease, use of, or other interest in, the article or any similar article; or (2) existing during 1950 between the Registrant and the obligor, or any *bona fide* continuation or modification thereafter of such existing contract or arrangement, which (i) does not expand the number of articles outstanding between the Registrant and the obligor beyond the maximum number outstanding between them at any one time during 1950, and (ii) does not otherwise alter the essential nature of the original contract or arrangement.

**Air Conditioners**

The classification "air conditioners, room unit" in Group B of the Supplement to Regulation W does not include units of 2 horsepower or more rated capacity.

**Common Trust Funds****Transfer to Fund of United States Bonds**

The Treasury Department has issued a ruling to the effect that the Department does not object to the transfer at par value of the nonmarketable 2¾ per cent Treasury bonds from individual trusts to a common trust fund. A similar ruling was contained in Public Debt Bulletin No. 21 of March 6, 1945, with respect to the transfer of Series F or G United States savings bonds.

Although it is provided in the second paragraph of section 17(a) of Regulation F that the term "common trust fund" means a fund maintained by a national bank exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank in its capacity as trustee, executor, administrator, or guardian, the Board will not object to the direct transfer at par value of United States savings bonds or the recently issued 2¾ per cent nonmarketable Treasury bonds from individual trust estates to a common trust fund in exchange for participations therein.

**CURRENT EVENTS AND ANNOUNCEMENTS****Federal Reserve Meetings**

The Conference of Chairmen of the Federal Reserve Banks met in Washington on May 7-8, 1951.

The Federal Advisory Council held a meeting in Washington on May 13-15, 1951, and met with the Board of Governors of the Federal Reserve System on May 15, 1951.

**Elections of Class B Directors**

The Federal Reserve Bank of Dallas, on April 24, 1951, announced the election of Mr. George H. Zimmerman, Chairman of the Board and President, Wm. Cameron & Company, Waco, Texas, as a Class B director of the Bank for the unexpired portion of the three-year term ending December 31, 1951, to succeed Mr. J. R. Milam, deceased. Mr. Milam was President of The Cooper Company, Inc., Waco, Texas.

The Federal Reserve Bank of New York, on May 4, 1951, announced the election of Mr. Clarence Francis, Chairman of the Board, General Foods Corporation, New York, New York, as a Class B director of the Bank for the unexpired portion of the three-year term ending December 31, 1952, to succeed Mr. Lewis H. Brown, deceased.

Mr. Brown was Chairman of the Board of the Johns-Manville Corporation, New York, New York.

**Revised Edition of Historical Supplement to Monthly Chart Book on Bank Credit, Money Rates, and Business**

The Board of Governors has available for distribution a revised edition of the historical supplement to the monthly *Federal Reserve Chart Book on Bank Credit, Money Rates, and Business*. The format and the charts included, of which there are 113 pages, are the same as for the March 1950 issue of the supplement. In most cases charts cover the period beginning with 1919 or some earlier year and include plotting space through 1951. All charts include the latest data available on April 16, 1951.

The historical supplement will be distributed free of charge to annual subscribers to the monthly Chart Book. Single copies of the supplement may be purchased for 60 cents each; in quantities of 10 or more copies for shipment to one address, there is a special price of 50 cents per copy. Orders should be sent to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.



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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on May 16, 1951, and on May 18 the Presidents met with the Board of Governors.

On May 17 a meeting of the Federal Open Market Committee was held.

### Changes in Board's Staff

Mr. George S. Sloan, who had been serving as an Assistant Director of the Division of Examinations since November 1, 1946, was appointed Director of that Division effective June 1, 1951. Mr. Sloan became associated with the Board of Governors as a Federal Reserve Examiner on June 29, 1934, prior to which he had been with the Federal Reserve Bank of Richmond for approximately seven years.

Mr. Sloan succeeded Mr. Edward A. Wayne, a Vice President of the Federal Reserve Bank of Richmond, who had been serving on a temporary assignment since December 1, 1950, as Acting Director of the Division of Examinations. Mr. Wayne will serve as an Adviser to the Board for a brief period until certain contemplated changes in examination policies and procedures are effected.

Mr. Dwight L. Allen, who became associated with the Board of Governors on January 4, 1944, as a Personnel Technician in the Division of Personnel Administration, was appointed Director of that Division effective June 1, 1951. Mr. Allen's

entire service with the Board has been with the Division of Personnel Administration where he had been serving as Assistant Director since January 8, 1951.

Mr. Allen succeeded Mr. Robert N. Hilkert, who reassumed his duties as a Vice President of the Federal Reserve Bank of Philadelphia. Mr. Hilkert had been serving on a temporary assignment since November 1, 1950, as Acting Director of the Division of Personnel Administration.

Mr. Edwin J. Johnson, formerly a Technical Assistant in the Division of Bank Operations, was appointed Assistant Director of the Division of Administrative Services effective June 7, 1951. Mr. Johnson first became associated with the Board of Governors on January 6, 1939, and was re-employed on April 7, 1947 after a period of military service and a short period of service with the Treasury Department. Prior to his initial appointment with the Board of Governors, he was a member of the staff of the Baltimore Branch of the Federal Reserve Bank of Richmond for approximately fourteen years.

### Publication of the Annual Report of the Board of Governors

The Thirty-seventh Annual Report of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1950, is available for distribution. Copies may be obtained upon request from the Board's Division of Administrative Services, Washington 25, D. C.

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**CURRENT EVENTS AND ANNOUNCEMENTS**

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**Resignation of Mr. Eccles as a Member of the Board of Governors**

Mr. Marriner S. Eccles resigned as a member of the Board of Governors effective as of the close of business July 14, 1951, to return to his home and private interests in the West. Mr. Eccles was appointed to the Federal Reserve Board and designated as Governor effective November 15, 1934, becoming Chairman on August 23, 1935, upon passage of the Banking Act of 1935. He continued as Chairman through April 14, 1948. Mr. Eccles came to Washington in January 1934 as an Assistant to the Secretary of the Treasury, prior to which he had been engaged in banking and industry for more than twenty years.

Mr. Eccles' letter of resignation and the President's letter of acceptance follow:

June 20, 1951

My dear Mr. President:

It is now more than 17 years since I came to Washington to engage in a public service that I fully intended and expected would be of comparatively brief duration. A succession of events, including the war period and the special problems of its aftermath, led me to stay on. It has been a great honor and privilege to serve my country for so many years, but I now feel the time has arrived when I can and should return to my home and private business affairs in the West.

Accordingly, I am submitting herewith my resignation as a Member of the Board of Governors of the Federal Reserve System to be effective as of July 15, 1951.

Respectfully,

(Signed) MARRINER S. ECCLES

The President,  
The White House.

The White House,  
Washington, D. C.,  
June 21, 1951.

My dear Mr. Eccles:

Because of the considerations which you urge in your letter of June twentieth, I feel that I have no recourse but to acquiesce in your wishes. Accordingly, I accept, effective at the close of business on Saturday July fourteenth next, your resignation as a Member of the Board of Governors of the Federal Reserve System.

I can understand how when you first came to Washington seventeen years ago you fully intended that your public service would be of comparatively brief duration. Incalculable forces have extended that service. In consenting to the relinquishment of your duties at this time may I wish you happiness and continued success as you return to your home and private business affairs in the West.

Very sincerely yours,

(Signed) HARRY S. TRUMAN

Honorable Marriner S. Eccles,  
Member,  
Board of Governors,  
Federal Reserve System,  
Washington, D. C.

**Change in Board's Staff**

Mr. H. Franklin Sprecher, Jr., formerly Administrative Assistant to the Vice President in Charge of Personnel at the Federal Reserve Bank of Minneapolis, was appointed Assistant Director of the Division of Personnel Administration and assumed his duties with the Board of Governors on July 2, 1951.

Mr. Sprecher had been associated with the Federal Reserve Bank of Minneapolis for approximately eighteen years, including several years of military service, having been employed shortly after his graduation from the University of Minnesota.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Changes in Board's Staff

Mr. Clarke L. Fauver, formerly an Assistant in the Division of Selective Credit Regulation, was appointed as an Assistant Director of that Division effective July 20, 1951. Mr. Fauver became associated with the Board of Governors in December 1947, as an Economist in the Division of Research and Statistics and subsequently served as Administrative Assistant to the Chairman.

Mr. E. A. Heath, Assistant Cashier and Assistant Secretary of the Federal Reserve Bank of Chicago, who had been serving on a temporary assignment as Acting Assistant Director of the Division of Selective Credit Regulation, has returned to the Reserve Bank.

### Appointment of Class C Director

On August 7, 1951, the Board of Governors announced the appointment of Mr. William J. Meinel, Chairman and President, Heintz Manufacturing Company, Philadelphia, Pennsylvania, as a Class C director of the Federal Reserve Bank of Philadelphia for the unexpired portion of the three-year term ending December 31, 1951. He succeeded Mr. Philip T. Sharples, Chairman, The Sharples Corporation, Philadelphia, Pennsylvania, who resigned.

Mr. Meinel had been serving as a Class B director of the Federal Reserve Bank of Philadelphia since January 1, 1947.

### Deposit Data by Counties and Metropolitan Areas

The pamphlet giving the distribution of bank deposits by counties, last published by the Board of Governors as of June 30, 1949, has been expanded to include a tabulation of the deposits in the 168 standard metropolitan areas in continental United States as defined by the Bureau of the Census. Data for total deposits and demand and time deposits of individuals, partnerships, and corporations are given as of December 30, 1950. The pamphlet, entitled *Distribution of Bank Deposits by Counties and Standard Metropolitan Areas*, may be obtained upon request from the Board's Division of Administrative Services, Washington 25, D. C.

### Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period May 16, 1951 to July 15, 1951:

#### *New York*

Broadalbin—The Broadalbin Bank

#### *Texas*

Sunray—Sunray State Bank

## 1951 SURVEY OF CONSUMER FINANCES

The frequency of dissavers among the whole population was slightly larger under the alternative definition than under the standard definition. Zero savers became less frequent as the result of the adjustments in definition. No significant shift was shown in the frequency of positive savers in the whole population. The effects, however, were not uniform throughout all income groups. The adjustments increased the frequency of dissaving very noticeably in the two lowest income groups but decreased it or did not affect it significantly in the \$2,000 or more income group. The frequency of both positive and zero savers in the two lowest income groups fell off with the change in definition. At incomes of \$2,000 or more, the frequency of positive savers increased, while that of zero savers showed little change.

Among occupational groups, the most striking change was found among the retired, for whom the frequency of dissaving rose from 34 to 57 per cent as a result of the change in definition. The high frequency of home ownership and therefore of depreciation on houses among the retired group accounted for this sharp rise. The retired are the only occupational group for which the frequency of dissaving increased as a result of the adjustments. In all other occupational groups, except farm operators, there was a tendency toward a greater frequency of saving and a lesser frequency of dissaving. It should be noted that depreciation on farms was not included as a dissaving entry for farm operators since it properly belongs with farm operating expenses.

## CURRENT EVENTS AND ANNOUNCEMENTS

## Federal Reserve Meetings

The Federal Advisory Council held a meeting in Washington on September 16-18, 1951, and met with the Board of Governors of the Federal Reserve System on September 18, 1951.

## MEMBER BANK EARNINGS, FIRST HALF OF 1951

**Earnings.** Current operating earnings, continuing their upward trend, amounted to 1,771 million dollars, an increase of 214 million from the first half of 1950. This increase was largely in earnings on loans, which were 201 million dollars or 26 per cent larger than in the corresponding period last year. A decline of about 29 million dollars in income from United States Government securities was partly offset by an increase of 12 million in earnings on other securities.

Earnings on loans accounted for 54 per cent of total earnings as compared with 49 per cent in the first half of last year and 51 per cent in the second half, reflecting the larger volume of loans held. The corresponding percentage for earnings from United States Government securities was 23, a decline from 28 in the first half of 1950.

An average annual rate of return on loans of 4.17 per cent was practically unchanged. Although holdings of higher yielding real estate and consumer loans increased 1,429 million dollars and 669 million dollars respectively between June 1950 and June 1951, holdings of lower yielding commercial and industrial loans increased 6,454 million during the same period.

**Expenses.** Current operating expenses, excluding taxes on net income, were 1,075 million dollars, 110 million larger than in the corresponding period of 1950. Salaries and wages accounted for nearly half of total expenses, and for more than half of the increase. They amounted to 529 million dollars, 63 million more than in the first half of 1950 and 6 million less than in the second half. The

decline from the last half of 1950 was seasonal in nature and followed the pattern of the three preceding years and of prewar years.

**Profits, recoveries, losses, and transfers to reserves.** Profits on securities sold were 20 million dollars in the first half of 1951, a smaller amount than in either half of 1950. Net losses and charge-offs on all securities amounted to 26 million dollars, more than in either half of last year.

Net losses on loans of 14 million dollars were slightly larger than in either half of 1950 but smaller than in either half of 1949. As in the first half of last year, net losses were less than 1.5 per cent of earnings on loans. Provisions for future losses continued at about the same rate as in the corresponding period of 1950, and net additions to valuation reserves amounted to 34 million dollars.

**Taxes and net profits.** Profits before income taxes were larger in the first half of 1951 than in either half of 1950. However, income tax accruals and payments were 83 million dollars and 52 million dollars respectively larger than in the first and second halves of 1950. As a result, net profits were 381 million dollars, somewhat less than in either half of 1950.

**Cash dividends.** The pattern of dividend payments was similar to that of previous years. Payments of 170 million dollars were larger than in the corresponding period of 1950 but smaller than in the second half. Dividends amounted to about 45 per cent of net profits and were at the annual rate of 3.5 per cent of total capital accounts.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Federal Reserve Meetings**

The Conference of Presidents of the Federal Reserve Banks met in St. Louis on September 27-29, 1951, and on October 4 the Conference met with the Board of Governors of the Federal Reserve System in Washington.

A meeting of the Federal Open Market Committee was held in Washington on October 4, 1951.

**Election of Class A Director**

The Federal Reserve Bank of Kansas City, on October 2, 1951, announced the election of Mr. W. S. Kennedy, President and Chairman of the Board of The First National Bank of Junction City, Kansas, as a Class A director of the Bank for the unexpired portion of the three-year term end-

ing December 31, 1952, to succeed Mr. M. A. Limbocker, deceased. Mr. Limbocker was Chairman of the Board and President of the Citizens National Bank of Emporia, Emporia, Kansas.

**Report of the National Advisory Council**

The Twelfth Semiannual Report of the National Advisory Council on International Monetary and Financial Problems to the President and the Congress, covering the period from October 1, 1950 to March 31, 1951, has been made public. It includes a review of international transactions of the United States and of the International Bank and Monetary Fund during that period. Copies may be obtained by writing to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

## LAW DEPARTMENT

time to time contended to different Federal Reserve Banks that structures used by them are "hospitals" within the meaning of section 2(*r*) of Regulation X. Such medical groups are organized to provide medical services and often have extensive facilities, including radiological departments, laboratories, dispensaries, physical therapy and BMR (basal metabolism rate tests) and EKG (electrocardiogram) facilities, as well as facilities for minor surgery. These medical centers and clinics sometimes provide "out-patient" diagnostic and treatment services which often are accessory to services contributed by hospitals, and which may be provided only through the employment of most extensive physical facilities.

Heretofore, in order for an institution to be con-

sidered as a "hospital" under section 2(*r*) of Regulation X, it has been our view that it must include as a minimum requirement "in-patient" facilities coupled with extensive medical services normally provided by hospitals. It seems apparent, however, that the medical services made available by some medical centers and clinics are an equally essential and indispensable part of the public health facilities of some communities, and for that reason we believe that medical centers, clinics, and individual doctors' offices which offer reasonably complete medical services for diagnosis and treatment should be considered "hospitals" within the meaning of Regulation X, even though they do not have "in-patient" facilities.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Meetings**

A meeting of the Chairmen of the Federal Reserve Banks, which was also attended by members of the Board of Governors, was held on December 3-4, 1951.

**Election of Class B Director**

The Federal Reserve Bank of Philadelphia, on November 15, 1951, announced the election of Mr. Charles E. Oakes, President and Director, Pennsylvania Power and Light Company, Allentown, Pennsylvania, as a Class B director of the Bank for the unexpired portion of the three-year term ending December 31, 1952, to succeed Mr. William J. Meinel who was appointed a Class C director by the Board of Governors. Mr. Meinel is Chairman and President, Heintz Manufacturing Company, Philadelphia, Pennsylvania.

**Death of Director**

Mr. W. D. Cochran, G. M. C. Truck Distributor, Iron Mountain, Michigan, who had served as a Class C director of the Federal Reserve Bank of Minneapolis since January 25, 1938, and as Deputy Chairman since January 1, 1946, died on December 4, 1951.

**Compilation of Federal and State Laws Relating to Branch Banking within the United States**

The Legal Division of the Board, with the assistance of the Counsel for the Federal Reserve Banks, has prepared a compilation of the provisions of Federal and State laws relating to branch banking within the United States. Copies of the compilation are available for distribution upon request. This compilation, prepared as of July 1, 1951, supersedes the similar compilation which was published in the Federal Reserve BULLETIN for October 1939, pp. 851-870.

## LAW DEPARTMENT

or dealers secured by stock where the proceeds of the loans are to be used to finance customer transactions involving the purchasing or carrying of registered stocks.

While some such loans may qualify for exemption under section 2 of the regulation, unless they do qualify for such an exemption they are subject to the regulation. For example, if a loan so secured is made to a broker to furnish cash working capital for the conduct of his brokerage business (i.e. for purchasing and carrying securities for the account of customers), the maximum loan value prescribed in the Supplement to the regulation would be ap-

plicable unless the loan should be of a kind exempted by section 2. This result would not be affected by the fact that the stock given as security for the loan was or included stock owned by the brokerage firm.

In view of the foregoing, the statement referred to in section 3(a) which the lending bank may accept and rely upon in good faith in determining the purpose of the loan would be inadequate if the form of statement accepted or used by the bank failed to call for answers which would indicate whether or not the loan was of the kind discussed above.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Earnings and Expenses of the Federal Reserve Banks in 1951 and 1950**

A condensed comparative statement of earnings and expenses of the Federal Reserve Banks in 1951 and 1950 is shown below. A detailed statement of earnings and expenses of each Federal Reserve Bank in 1951 will appear in the February Federal Reserve BULLETIN.

Item	Thousands of dollars	
	1951	1950
Current earnings .....	394,656	275,839
Current expenses .....	95,469	80,572
Current net earnings .....	299,187	195,267
Additions to current net earnings .....	425	136,969
Deductions from current net earnings .....	12,553	675
Net deductions (-) or net additions .....	-2,128	36,294
Net earnings before payments to U. S. Treasury .....	297,059	231,561
Paid U. S. Treasury (interest on outstanding Federal Reserve notes) .....	254,874	196,629
Dividends .....	13,865	13,083
Transferred to surplus (Sec. 7) .....	28,320	21,849

<sup>1</sup> Includes net losses of \$1,586,000 in 1951 and net profits of \$36,896,000 in 1950 on sales of U. S. Government securities.

**Changes in Board's Staff**

The Board of Governors on December 20, 1951, appointed Mr. Robert C. Masters, Assistant Director of the Division of Examinations. Mr. Masters, previously a Federal Reserve Examiner in the Division of Examinations, came with the Board in December 1948, after being on the staff of the Federal Reserve Bank of Boston for fourteen years. At the time of

his transfer to the Board, Mr. Masters held the position of Trust Examiner.

Effective January 1, 1952, Mr. Clarke L. Fauver, Assistant Director of the Division of Selective Credit Regulation, was transferred to the Board Members' Offices as an assistant where he will work with Mr. Thurston, Assistant to the Board. Mr. Fauver came to the Board in December 1947, and since that time has worked in the Division of Research and Statistics, as Administrative Assistant to Chairman McCabe, and, since April 1, 1951, has worked in the Division of Selective Credit Regulation.

Mr. Eliot J. Swan, Assistant Vice President of the Federal Reserve Bank of San Francisco, was appointed Acting Assistant Director of the Division of Selective Credit Regulation for the period January 8, 1952, through June 30, 1952. Mr. Swan has been with the Federal Reserve Bank of San Francisco for ten years, most of that time having been spent in the Research Department. Prior to his employment with the Federal Reserve System, Mr. Swan taught at St. Mary's College and at the University of California. After his period of service with the Board, Mr. Swan will return to his position as Assistant Vice President of the Federal Reserve Bank of San Francisco.

**Election of Class A Director**

The Federal Reserve Bank of Minneapolis on January 15, 1952, announced the election of Mr. Edgar F. Zelle, Chairman of the Board of the First National Bank of Minneapolis, Minneapolis, Minnesota, as a Class A director of the Bank for the unexpired portion of the term ending December 31,

## CURRENT EVENTS AND ANNOUNCEMENTS

1952, to succeed Mr. A. H. Quay, deceased. Mr. Quay was President of the First National Bank of Minneapolis, Minneapolis, Minnesota.

**Appointments of Deputy Chairman and Class C Director**

On December 28, 1951, the Board of Governors announced the appointment of Mr. Paul E. Miller, Director, Agricultural Extension Division, University of Minnesota, St. Paul, Minnesota, as Deputy Chairman of the Federal Reserve Bank of Minneapolis for the remaining portion of the year 1951 and for the year 1952. As Deputy Chairman, Mr. Miller succeeds Mr. W. D. Cochran, G.M.C. Truck Distributor, Iron Mountain, Michigan, deceased. Mr. Miller has been serving as a Class C director of the Federal Reserve Bank of Minneapolis since January 1, 1946.

On December 29, 1951, the Board of Governors announced the appointment of Mr. F. A. Flodin, President, Lake Shore Engineering Company, Iron Mountain, Michigan, as a Class C director of the Federal Reserve Bank of Minneapolis for the unexpired portion of the three-year term ending December 31, 1952, to succeed Mr. Cochran.

**Appointments of Chairmen, Deputy Chairmen, and Directors**

The following designations and appointments at the Federal Reserve Banks and branches have been made by the Board of Governors of the Federal Reserve System.

**CHAIRMEN AND FEDERAL RESERVE AGENTS FOR YEAR 1952**

*Federal Reserve Bank*

Boston  
New York  
Philadelphia  
Cleveland  
Richmond  
Atlanta  
Chicago  
St. Louis  
Minneapolis  
Kansas City  
Dallas  
San Francisco

*Name of Appointee*

. Harold D. Hodgkinson of Boston, Massachusetts  
. Robert T. Stevens of South Plainfield, New Jersey  
. Warren F. Whittier of Chester Springs, Pennsylvania  
. George C. Brainard of Cleveland, Ohio  
. Charles P. McCormick of Baltimore, Maryland  
. Frank H. Neely of Atlanta, Georgia  
. F. J. Lunding of Winnetka, Illinois  
. Russell L. Dearmont of St. Louis, Missouri  
. Roger B. Shepard of St. Paul, Minnesota  
. Robert B. Caldwell of Kansas City, Missouri  
. J. R. Parten of Houston, Texas  
. Brayton Wilbur of Burlingame, California

**DEPUTY CHAIRMEN FOR YEAR 1952**

Boston . .  
New York . .  
Philadelphia

. . Ames Stevens of North Andover, Massachusetts  
. . . William I. Myers of Ithaca, New York  
. . C. Canby Balderston of Media, Pennsylvania

**Death of Director**

Mr. Willard D. Hosford, Vice President, John Deere Plow Company, Omaha, Nebraska, who had served as a Class B director of the Federal Reserve Bank of Kansas City since April 1, 1930, died on December 25, 1951.

**Admissions of State Banks to Membership in the Federal Reserve System**

The following State banks were admitted to membership in the Federal Reserve System during the period September 16, 1951 to December 15, 1951:

*New Jersey*

Matawan—The Matawan Bank.

*Rhode Island*

Providence—Rhode Island Hospital Trust Company.

*Texas*

Anthony—Anthony State Bank.

*West Virginia*

Beckley—The Raleigh County Bank.



## CURRENT EVENTS AND ANNOUNCEMENTS

DEPUTY CHAIRMEN—*Continued*

<i>Federal Reserve Bank</i>	<i>Name of Appointee</i>
Cleveland	.. John C. Virden of Shaker Heights, Ohio
Richmond	.... John B. Woodward, Jr., of Newport News, Virginia
Atlanta	..... Rufus C. Harris of New Orleans, Louisiana
Chicago	..... John S. Coleman of Detroit, Michigan
St. Louis	..... Wm. H. Bryce of Memphis, Tennessee
Minneapolis	..... Paul E. Miller of St. Paul, Minnesota
Dallas	..... R. B. Anderson of Vernon, Texas
San Francisco	..... * Wm. R. Wallace, Jr., of San Francisco, California

## CLASS C DIRECTORS

(Appointed for three-year terms beginning January 1, 1952)

Boston	... Ames Stevens of North Andover, Massachusetts
New York	.. William I. Myers of Ithaca, New York
Philadelphia	.. William J. Meinel of Huntingdon Valley, Pennsylvania
Cleveland	.. Leo L. Rummell of Columbus, Ohio
Richmond	.. W. G. Wysor of Richmond, Virginia
Atlanta	.. Paul E. Reinhold of Jacksonville, Florida
Chicago	.. F. J. Lunding of Winnetka, Illinois
St. Louis	.. Joseph H. Moore of Charleston, Missouri
Minneapolis	.... Paul E. Miller of St. Paul, Minnesota
Kansas City	... Lyle L. Hague of Cherokee, Oklahoma
Dallas	.... R. B. Anderson of Vernon, Texas
San Francisco	..... Harry R. Wellman of Berkeley, California

## BRANCH DIRECTORS

<i>Federal Reserve Bank and Branch</i>	<i>Name of Appointee</i>
<i>New York</i>	
Buffalo	.. * Clayton G. White of Stow, New York
<i>Cleveland</i>	
Cincinnati	.. Ernest H. Hahne of Oxford, Ohio
Pittsburgh	.. * Clifford F. Hood of Pittsburgh, Pennsylvania
<i>Richmond</i>	
Baltimore	.. * A. G. Decker, Jr., of Towson, Maryland
Charlotte	.. * Paul T. Taylor of Danbury, North Carolina
<i>Atlanta</i>	
Birmingham	.. * Edwin C. Bottcher of Cullman, Alabama
Jacksonville	.. J. Hillis Miller of Gainesville, Florida
Nashville	... H. C. Meacham of Franklin, Tennessee
New Orleans	.. * Joel L. Fletcher, Jr., of Lafayette, Louisiana
<i>Chicago</i>	
Detroit	.. † William M. Day of Grosse Pointe, Michigan

\* Indicates position filled by a new incumbent.

† Indicates appointment for two-year term beginning January 1, 1952. All other appointments are for three-year terms.

## CURRENT EVENTS AND ANNOUNCEMENTS

BRANCH DIRECTORS—*Continued**Federal Reserve Bank and Branch**Name of Appointee**St. Louis*

Little Rock . . . . .	* Shuford R. Nichols of Des Arc, Arkansas
Louisville . . . . .	Pierre B. McBride of Louisville, Kentucky
Memphis . . . . .	* Caffey Robertson of Memphis, Tennessee

*Minneapolis*

Helena . . . . .	† G. R. Milburn of Grass Range, Montana
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*Kansas City*

Denver . . . . .	† Cecil Puckett of Denver, Colorado
Oklahoma City . . . . .	† Cecil W. Cotton of Tulsa, Oklahoma
Omaha . . . . .	† Joseph W. Seacrest of Lincoln, Nebraska

*Dallas*

El Paso . . . . .	* James A. Dick, Jr., of El Paso, Texas
Houston . . . . .	Ross Stewart of Houston, Texas
San Antonio . . . . .	Henry P. Drought of San Antonio, Texas

*San Francisco*

Los Angeles . . . . .	† Paul H. Helms of Los Angeles, California
Portland . . . . .	† Aaron M. Frank of Portland, Oregon
Salt Lake City . . . . .	† Frank M. Browning of Ogden, Utah
Seattle . . . . .	*† D. K. MacDonald of Seattle, Washington

\* Indicates position filled by a new incumbent.

† Indicates appointment for two-year term beginning January 1, 1952. All other appointments are for three-year terms.

The new appointees are as follows:

**Federal Reserve Bank of San Francisco**

Mr. William R. Wallace, Jr., of San Francisco, California, who has been a Class C director of the Federal Reserve Bank of San Francisco since September 30, 1947, was appointed Deputy Chairman for the year 1952. Mr. Wallace is a member of the firm of Wallace, Garrison, Norton and Ray, Attorneys at Law, San Francisco, California.

*Branches***Federal Reserve Bank of New York**

Mr. Clayton G. White of Stow, New York, was appointed a director of the Buffalo Branch of the Federal Reserve Bank of New York for a three-year term beginning January 1, 1952. Mr. White is a dairy farmer at Stow, New York.

**Federal Reserve Bank of Cleveland**

Mr. Clifford F. Hood of Pittsburgh, Pennsylvania, was appointed a director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland for a three-year term beginning January 1, 1952. Mr. Hood is Executive Vice President of the United States Steel Company, Pittsburgh, Pennsylvania.

CURRENT EVENTS AND ANNOUNCEMENTS

**Federal Reserve Bank of Richmond**

Mr. A. G. Decker, Jr., of Towson, Maryland, was appointed a director of the Baltimore Branch of the Federal Reserve Bank of Richmond for a three-year term beginning January 1, 1952. Mr. Decker is Vice-President of the Black and Decker Manufacturing Company, Towson, Maryland.

Mr. Paul T. Taylor of Danbury, North Carolina, was appointed a director of the Charlotte Branch of the Federal Reserve Bank of Richmond for a three-year term beginning January 1, 1952. Mr. Taylor is engaged in farming and cattle raising at Danbury, North Carolina.

**Federal Reserve Bank of Atlanta**

Mr. Edwin C. Bottcher of Cullman, Alabama, was appointed a director of the Birmingham Branch of the Federal Reserve Bank of Atlanta for a three-year term beginning January 1, 1952. Mr. Bottcher is a cotton and dairy farmer at Cullman, Alabama.

Mr. Joel L. Fletcher, Jr., of Lafayette, Louisiana, was appointed a director of the New Orleans Branch of the Federal Reserve Bank of Atlanta for a three-year term beginning January 1, 1952. Mr. Fletcher is President of the Southwestern Louisiana Institute, Lafayette, Louisiana.

**Federal Reserve Bank of St. Louis**

Mr. Shuford R. Nichols of Des Arc, Arkansas, was appointed a director of the Little Rock Branch of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1952. Mr. Nichols is a farmer and cotton broker at Des Arc, Arkansas.

Mr. Caffey Robertson of Memphis, Tennessee, was appointed a director of the Memphis Branch of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1952. Mr. Robertson is President of the Caffey Robertson Company, Memphis, Tennessee.

**Federal Reserve Bank of Dallas**

Mr. James A. Dick, Jr., of El Paso, Texas, was appointed a director of the El Paso Branch of the Federal Reserve Bank of Dallas for a three-year term beginning January 1, 1952. Mr. Dick is President of the James A. Dick Company, El Paso, Texas.

**Federal Reserve Bank of San Francisco**

Mr. D. K. MacDonald of Seattle, Washington, was appointed a director of the Seattle Branch of the Federal Reserve Bank of San Francisco for a two-year term beginning January 1, 1952. Mr. MacDonald operates as D. K. MacDonald and Company, Inc., Seattle, Washington, engaging in real estate and building management operations.

JANUARY 1952

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**CURRENT EVENTS AND ANNOUNCEMENTS**


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**Bank Suspensions**

During 1951 there were three bank suspensions, of which two were unincorporated private banks. There has been no suspension of a member bank since 1943. The following table shows the number of suspensions and the deposits of the suspended banks in recent years:

	Total, all banks	Member banks		Nonmember banks	
		National	State	In- sured	Non- insured
<b>Number of banks suspended:<sup>1</sup></b>					
1934-42 .....	330	20	6	216	88
1943 .....	4	2		2	
1944 .....	1			1	
1945 .....	0				
1946 .....	0				
1947 .....	1				1
1948 .....	0				
1949 .....	4				4
1950 .....	1				1
1951 .....	3				3
<b>Deposits of suspended banks (in thousands of dollars):<sup>2</sup></b>					
1934-42 .....	137,362	18,016	26,548	51,567	41,231
1943 .....	6,223	4,982		1,241	
1944 .....	405			405	
1945 .....	0				
1946 .....	0				
1947 .....	167				167
1948 .....	0				
1949 .....	2,443				2,443
1950 .....	42				42
1951 .....	3,113				3,113

<sup>1</sup> Represents banks which, during the periods shown, closed temporarily or permanently on account of financial difficulties; does not include banks whose deposit liabilities were assumed by other banks at the time of closing (in some instances with the aid of Federal Deposit Insurance Corporation loans).

<sup>2</sup> Deposits of member banks and insured nonmember banks suspended are as of dates of suspensions, and deposits of noninsured nonmember banks are based on the latest data available at the time the suspensions were reported.

Back figures.—See *Banking and Monetary Statistics*, pp. 283-92; for description, see pp. 281-82 in same publication.

**Publication of Technical Study**

*The Development of Bank Debits and Clearings and Their Use in Economic Analysis*, by George Garvy of the Federal Reserve Bank of New York, is now ready for distribution at the offices of the Board of Governors. This study combines a statistical review of debits and clearings statistics in the United States with a critical review of their use by economists and monetary analysts to interpret and project economic developments. The purpose of the study

is to provide the basis for better understanding of debits and the velocity of deposits and hence of the appropriateness of these series for different types of economic analysis.

Mr. Garvy's study is a by-product of the research program of the Federal Reserve System. This program includes the development and maintenance of statistical tools and materials that contribute to an understanding of banking and monetary developments. Publication of any findings resulting from the research program does not indicate official endorsement of the views or conclusions expressed.

The pamphlet may be purchased for 25 cents or 15 cents in group purchases of 10 or more for single shipment. Orders should be sent to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

**Appointment of Branch Director**

On January 17, 1952, the Federal Reserve Bank of Kansas City appointed Mr. George R. Gear, President, The City National Bank of Guymon, Guymon, Oklahoma, as a director of the Oklahoma City Branch for the unexpired portion of the term ending December 31, 1953. Mr. Gear succeeded Mr. S. A. Bryant, President, The Farmers National Bank of Cushing, Cushing, Oklahoma, whose term expired.

**Death of Director**

Mr. Robert P. Patterson, a member of the firm of Patterson, Belknap and Webb, attorneys at law, New York, New York, who had served as a Class C director of the Federal Reserve Bank of New York since April 24, 1950, died on January 22, 1952.

**New Edition of U. S. Government Manual**

The 1951-52 edition of the U. S. Government Organization Manual is off the press and may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for \$1 a copy.

The Manual is published by the Federal Register Division, National Archives and Records Service, General Services Administration. It contains sections descriptive of the agencies in the legislative, judicial and executive branches of the Government.

## CURRENT EVENTS AND ANNOUNCEMENTS

Supplemental information includes (1) brief descriptions of quasi-official agencies and selected international organizations, (2) charts of the more complex agencies, and (3) appendixes relating to abolished or transferred agencies and to governmental publications.

**Federal Register**

The official text on prices, wages, production, transportation, housing, finance, fuels, minerals etc. is published in the daily Federal Register.

The Federal Register is the only official Government periodical in which publication of all emergency regulations is required by law. It is an invaluable and indispensable aid to businessmen, attorneys, and others who deal with the United States Government.

Subscription price (includes postage)—\$15.00 a year; \$1.50 a month.

Order from Superintendent of Documents, Government Printing Office, Washington 25, D. C.

A sample copy will be sent upon request to: Director, Federal Register Division, Washington 25, D. C.

**Handbook of Emergency Defense Activities**

The Federal Register Division has announced publication of the third edition of the Handbook of Emergency Defense Activities, Oct. 1951-Mar. 1952, Edition.

The 119 page booklet is a guide to Federal agencies all or part of whose functions are devoted to mobilization or to other related phases of the defense program. It includes brief organizational outlines and the names and addresses of officials of emergency defense agencies, the Department of Defense, and the United States Coast Guard.

This revised edition may be purchased for 30¢ a copy from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

**Abstracts of Orders**

The sixth issue of Abstracts of Defense Regulations went on sale this week. It contains a cumulative list (through Dec. 31, 1951) of all regulations, orders, delegations of authority, and forms issued pursuant to the Defense Production Act, together with brief abstracts of their content, citations to their publications in full in the Federal Register, and the names of the persons to whom inquiries concerning each document should be directed. This issue contains a cumulative listing of documents which are currently in effect.

Abstracts of Defense Regulations are revised monthly and may be obtained on a subscription basis at \$6 per year. Prices of individual copies vary.

Orders for subscriptions or for individual copies should be addressed to the Superintendent of Documents, Washington 25, D. C.

## LAW DEPARTMENT

**"Vent-A-Hood" as Home Improvement or Accessory**

A question has been presented concerning the application of Regulation W to instalment credit for the purchase or installation of a home kitchen ventilating device known as the "Vent-A-Hood." Briefly, the "Vent-A-Hood" is constructed for attachment to the wall to the rear and directly above a cooking stove, and is designed to catch cooking heat, steam, and vapor which are ejected from the house by means of an exhaust unit and duct leading to a flue or to an opening in an outside wall.

The Board is of the view that the "Vent-A-Hood," if sold or delivered by the Registrant to the customer at or about the time of the sale or delivery of a cooking stove, should be regarded as "an accessory" under section 8(j)(7) of the regulation. Consequently, the "cash price" of the stove, a Group B article, would include the price of the "Vent-A-Hood." On the other hand, a "Vent-A-Hood" sold separately and not in connection with the sale or delivery of a cooking stove should be regarded as a Group D article in view of the nature of its installation.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Federal Reserve Meetings**

The Federal Advisory Council met in Washington on February 17-19, 1952. The annual organization meeting of the Council was held on February 17, at which Edward E. Brown, Chairman of the First National Bank of Chicago, was re-elected President; Robert V. Fleming, President and Chairman of The Riggs National Bank, was re-elected Vice President; and Herbert V. Prochnow was reappointed Secretary. The Council met with the Board of Governors of the Federal Reserve System on February 19.

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on February 27 and 28, and on February 29 the Presidents met with the Board of Governors of the Federal Reserve System.

On February 29 and March 1 meetings of the Federal Open Market Committee were held. At the meeting on March 1, William McC. Martin, Jr., was re-elected Chairman of the Committee and Allan Sproul, Vice Chairman. The representative members of the Committee elected by the Federal Reserve Banks for the period of one year beginning March 1, 1952, are Allan Sproul, Hugh Leach, Malcolm Bryan, C. S. Young, and C. E. Earhart, Presidents of the Federal Reserve Banks of New York, Richmond, Atlanta, Chicago, and San Francisco, respectively.

**Resignation of Mr. Norton as a Member of the Board of Governors**

Mr. Edward L. Norton resigned as a member of the Board of Governors effective February 1, 1952. He had served as a member of the Board of Governors since September 1, 1950.

At the time of Mr. Norton's appointment to the Board of Governors, he was President of the Coosa River Newsprint Company, Coosa Pines, Alabama; Chairman of the Board of the Florida Broadcasting Company, Jacksonville, Florida; and Chairman of the Board of the Voice of Alabama, Inc., Birmingham, Alabama. He was also a director of the First National Bank of Birmingham, the Nehi Corporation, and the Avondale Mills.

Mr. Norton's letter of resignation and the President's letter of acceptance follow:

January 21, 1952.

My dear Mr. President:

Certain personal business obligations make it necessary for me to submit to you my resignation as a member of the Board of Governors of the Federal Reserve System, effective February 1, 1952. This matter has been discussed with Chairman Martin.

Since you are the inspiration or source of my appointment to the Board of Governors, I feel deeply indebted to you, and I covet the opportunity to reciprocate.

Yours respectfully,  
(Signed) ED NORTON

The President,  
The White House.

The White House,  
Washington,  
January 22, 1952.

Dear Mr. Norton:

I am certainly sorry that it is necessary for you to leave the Federal Reserve Board.

It was a great pleasure to me when you accepted

## CURRENT EVENTS AND ANNOUNCEMENTS

the appointment and you have done a wonderful job since you have been over there. I talked with Chairman Martin yesterday and I am accepting your resignation effective February first as you suggest.

I hope everything will go well with you and that sometime or other you will be in a position to render further public service.

Sincerely yours,

(Signed) HARRY S. TRUMAN

Honorable Edward L. Norton,  
Member of the Board of Governors  
of the Federal Reserve System,  
Washington, D. C.

**Appointments of Mr. Mills and Mr. Robertson as  
Members of the Board of Governors**

The President, on January 23, 1952, sent to the Senate the nominations of Mr. Abbot L. Mills, Jr., of Oregon, and Mr. J. L. Robertson, of Nebraska, as Members of the Board of Governors. The nominations of Mr. Mills and Mr. Robertson were confirmed by the Senate without objection on February 6, 1952, and they took the oath of office on February 18.

Mr. Mills was appointed for the unexpired portion of the term of fourteen years from February 1, 1944, to fill the vacancy occasioned by the resignation of Mr. Marriner S. Eccles.

Mr. Mills was born in Portland, Oregon, on September 26, 1898, the son of Abbot Low Mills and Evelyn Lewis Mills. He married Miss Katherine Ainsworth on August 4, 1924, and they have four children, two sons and two daughters. He attended grammar school in Portland, Oregon; preparatory school in Concord, Massachusetts; and in 1921, he graduated from Harvard University with an A.B. degree. On September 18, 1918, he was commissioned a Second Lieutenant in the Infantry, United States Army, and attached to the Georgia School of Technology.

On October 1, 1920, Mr. Mills was employed by the First National Bank of Portland, Oregon, and was serving as Vice President on December 31, 1932, when he became associated with The United States National Bank of Portland as Assistant Vice President. He later became Vice President and was serving as First Vice President at the time of his appointment as a member of the Board of Governors. He was also a director of The United States National Bank of Portland, and of the United States National

Corporation. He had been a member of the Association of Reserve City Bankers since 1938, and served on the Association's Committee on Federal Relationships and as a Trustee of the Banking Research Fund. He was also a member of the Oregon Bankers Association Committee on Legislation and Taxation, and previously had been on various other standing committees of the Association.

For many years, Mr. Mills has been actively engaged in public and civic affairs, as President of the Portland 4-H Club Advisory Council, a director of the Oregon Tuberculosis and Health Association, Overseer of Whitman College, and a member of the Governor's Committee on Small Business, American Academy of Political Science, National Committee on Boys and Girls Club Work, Inc., Oregon Finance Officers' Association, and the American Economic Association.

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Mr. Robertson was appointed for the unexpired portion of the term of fourteen years from February 1, 1950, to fill the vacancy resulting from the resignation of Mr. Edward L. Norton.

Mr. Robertson was born in Broken Bow, Nebraska, on October 31, 1907, the son of Andrew J. Robertson and Dora Reese Robertson. He married Miss Julia Jensen on July 24, 1928, and they have three sons. After attending Grinnell College in 1925-27, Mr. Robertson received A.B. and LL.B. degrees from George Washington University in 1931, and an LL.M. degree from Harvard Law School in 1932. He was admitted to the Bar of the Court of Appeals for the District of Columbia in 1931, and to the Supreme Court of the United States in 1935. He is a member of the American Bar Association and of the Federal Bar Association.

Mr. Robertson is a career employee with twenty-four years of service, having entered the Government service in 1927 as a Clerk in the United States Senate Post Office. In 1932-33, he served as a Special Agent of the Federal Bureau of Investigation. He became Assistant Counsel to the Comptroller of the Currency in 1933, and in 1942, was appointed Assistant Chief Counsel. Following his service as a Lieutenant (jg) in the United States Naval Reserve in 1943-44, he was appointed Third Deputy Comptroller of the Currency, and in 1949, he was designated First Deputy Comptroller, the office he was holding at the time of his appointment as a member of the Board of Governors.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Retirement of Mr. Rounds as First Vice President of the Federal Reserve Bank of New York and Appointment of Mr. Treiber as His Successor**

Mr. L. R. Rounds retired as First Vice President of the Federal Reserve Bank of New York effective February 29, 1952. Mr. Rounds became associated with the Federal Reserve Bank of New York on August 1, 1917, and had served as an officer of the Bank since January 1, 1918. He served as the principal operating officer for a number of years and had served as First Vice President since January 1, 1941.

Mr. William F. Treiber was appointed First Vice President of the Federal Reserve Bank of New York, effective March 1, 1952, to succeed Mr. Rounds. He is a graduate of Columbia University with B.A. and LL.B. degrees. He is also a graduate of the Graduate School of Banking, Rutgers University. Following several years in the general practice of law, Mr. Treiber joined the staff of the Federal Reserve Bank of New York as an Assistant Counsel on September 28, 1934. In 1940, he was appointed Assistant Secretary as well as Assistant Counsel, and in 1942, he was appointed Secretary as well as Assistant Counsel. On July 1, 1945, he was appointed Assistant Vice President and continued to serve as Secretary until October 1, 1949.

Mr. Treiber was appointed Vice President on May 1, 1950, and since that time, with the exception of a few months, his assignment has been in the field of general administration.

**Deaths of Directors**

Mr. Russell H. Britton, Executive Vice President and Cashier, First National Bank of Rochester, Rochester, New Hampshire, who had served as a Class A director of the Federal Reserve Bank of Boston since January 1, 1949, died on February 25, 1952.

Mr. Ramon B. Handy, Executive Vice President, The First National Bank of Greeley, Greeley, Colorado, who had served as a director of the Denver Branch of the Federal Reserve Bank of Kansas City since January 18, 1951, died on February 26, 1952.

**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period January 16, 1952 to February 15, 1952:

*Alabama*

Alabaster—The First Bank of Alabaster.



**VOLUNTARY CREDIT RESTRAINT RELEASES**

of supervision over the financial actions of States and localities that we have for the last year.

Sincerely yours,

(Signed) HARRY TRUMAN

Honorable Charles E. Wilson  
Director of Defense Mobilization

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**Appointments to Regional Voluntary Credit Restraint Committees**

**STATEMENT OF THE NATIONAL VOLUNTARY CREDIT RESTRAINT COMMITTEE, MARCH 14, 1952**

The National Voluntary Credit Restraint Committee has appointed Gordon Murray, President of

the First National Bank of Minneapolis, Minneapolis, Minnesota, as a member of the Ninth District Commercial Banking Voluntary Credit Restraint Committee. Mr. Murray previously had been serving as an alternate member. Rufus W. Hanson, Vice President of the First National Bank of Minneapolis, has been appointed as an alternate member of the Ninth District Committee.

The National Committee also has appointed R. J. Rice, Vice President of the Twin City Bank, North Little Rock, Arkansas and O. D. Hadfield, Vice President of Peoples National Bank, Little Rock, Arkansas, as alternate members of the Little Rock Regional Commercial Banking Voluntary Credit Restraint Committee.

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**CURRENT EVENTS AND ANNOUNCEMENTS**

**Appointment of Class C Director and Deputy Chairman**

On March 21, 1952, the Board of Governors announced the appointment of Mr. Cecil Puckett, Dean, College of Business Administration, University of Denver, Denver, Colorado, as a Class C director of the Federal Reserve Bank of Kansas City for the unexpired portion of the three-year term ending December 31, 1953, and as Deputy Chairman of the Bank for the remaining portion of the year 1952. He succeeded Mr. Robert L. Mehornay, Chairman of the Board, Mehornay Furniture Company, Kansas City, Missouri, deceased.

Mr. Puckett had been serving as a director of the Denver Branch of the Federal Reserve Bank of Kansas City since June 6, 1950.

**Election of Class B Director**

The Federal Reserve Bank of Kansas City, on March 11, 1952, announced the election of Mr. Max A. Miller of Omaha, Nebraska, as a Class B director of the Bank for the unexpired portion of the three-year term ending December 31, 1954, to succeed Mr. Willard D. Hosford, deceased. Mr. Hosford was Vice President of the John Deere Plow Company, Omaha, Nebraska. Mr. Miller is engaged in ranching and farming.

**Appointments of Branch Directors**

On March 13, 1952, the Federal Reserve Bank of Kansas City appointed Mr. Ralph S. Newcomer, Executive Vice President of the First National Bank in Boulder, Boulder, Colorado, as a director of the Denver Branch for the unexpired portion of the two-year term ending December 31, 1952, to succeed Mr. Ramon B. Handy, deceased. Mr. Handy was Executive Vice President of The First National Bank of Greeley, Greeley, Colorado.

On March 14, 1952, the Federal Reserve Bank of Atlanta appointed Mr. John B. Barnett, Jr., President, The Monroe County Bank, Monroeville, Alabama, as a director of the Birmingham Branch for the unexpired portion of the three-year term ending December 31, 1952, to succeed his father Mr. J. B. Barnett, deceased. Mr. J. B. Barnett, Sr., was President of The First National Bank of Monroeville, Monroeville, Alabama.

On March 27, 1952, the Board of Governors announced the appointment of Mr. Aksel Nielsen, President of the Title Guaranty Company, Denver, Colorado, as a director of the Denver Branch of the Federal Reserve Bank of Kansas City for the unexpired portion of the two-year term ending December 31, 1953. Mr. Nielsen succeeds Mr. Cecil Puckett who was appointed a Class C director and

## CURRENT EVENTS AND ANNOUNCEMENTS

Deputy Chairman of the Federal Reserve Bank of Kansas City.

**Revised Edition of Historical Supplement to Monthly Chart Book on Bank Credit, Money Rates, and Business**

The Board of Governors has available for distribution a revised edition of the historical supplement to the monthly Federal Reserve Chart Book on Bank Credit, Money Rates, and Business.

The format and the charts included, of which there are 113 pages, are the same in the 1952 supplement as in the April 1951 issue. In most cases the charts cover the period beginning with 1919 or some earlier year. All charts include the latest data available on April 2, 1952.

The historical supplement now available will be distributed free of charge to annual subscribers to the monthly Chart Book. Single copies of the supplement may be purchased for 60 cents each; in quantities of 10 or more copies for shipment to one address, there is a special price of 50 cents per copy. Orders should be sent to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

**Correction**

In the statement by the Board of Governors of the Federal Reserve System with respect to extension of the Defense Production Act of 1950, as reprinted in the March 1952 BULLETIN on pages 244-46, the correction indicated below should be made.

Page 245, column 1, 14th line from bottom of page. Change sentence beginning on this line to read: Consumer instalment credit is a highly volatile segment of the credit picture, as indicated by the substantial increase—a rate of almost 500 million dollars per month during the period in 1950 when the Defense Production Act was under consideration by the Congress.

**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period February 16, 1952 to March 15, 1952:

*South Carolina*

North Charleston—The Port City Bank.

## VOLUNTARY CREDIT RESTRAINT RELEASES

requests which it addressed to all financing institutions, the Committee, the subcommittees, and members thereof, on March 9, 1951, April 20, 1951, and April 17, 1952, to act and to refrain from acting pursuant to and in accordance with the provisions of the Program.

Under the provisions of section 708 of the Defense Production Act of 1950, acts or omissions to act pursuant to the requests above referred to and the Program for Voluntary Credit Restraint which occur while said section 708 is in effect and before

the withdrawal of such requests are not construed to be within the prohibitions of the anti-trust laws or of the Federal Trade Commission Act of the United States. As the result of this withdrawal by the Board of the requests previously made by it, the provisions of said section 708 will not apply to any act or omission to act by reason of such requests on or after May 12, 1952.

By order of the Board of Governors of the Federal Reserve System, this 2nd day of May, 1952.

S. R. CARPENTER, *Secretary*.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Federal Reserve Meetings**

The Conference of Chairmen of the Federal Reserve Banks met with the Board of Governors in Washington on May 5-6, 1952.

**Appointment of Class C Director**

On April 30, 1952, the Board of Governors announced the appointment of Mr. Philip Young, Dean, Graduate School of Business, Columbia University, New York, New York, as a Class C director of the Federal Reserve Bank of New York for the unexpired portion of the three-year term ending December 31, 1952. Mr. Young succeeded Mr. Robert P. Patterson, deceased. Mr. Patterson was a member of the firm of Patterson, Belknap and Webb, Attorneys at Law, New York, New York.

**Revised Annual Industrial Production Indexes**

In the course of revising the Board's industrial production index, as announced in the BULLETIN for December 1951, page 1527, tentative new annual indexes have been developed for most major groups of manufacturing industries, covering the period since 1947. These indexes, together with information on weights, base period quantities, and sources of data, are now available for distribution to interested persons for the purpose of obtaining comments which can be used to improve the measures prior to publication of the finally revised annual and monthly indexes. These new annual indexes are not for publication in their present form.

The material is arranged by major industry groups and may be obtained for a single group or

for all groups listed below, on request to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

- Food and kindred products
- Tobacco manufactures
- Textile mill products
- Apparel and related products
- Lumber and products
- Furniture and fixtures
- Paper and allied products
- Printing and publishing
- Petroleum and coal products
- Rubber products
- Leather and leather products
- Stone, clay, and glass products
- Primary metals
- Fabricated metal products
- Machinery (except electrical)
- Electrical machinery

The remaining manufacturing groups (chemicals, transportation equipment, ordnance, and miscellaneous industries) and the mining industry groups will be available at a later date.

**Change in Board's Staff**

The Board of Governors on May 9 announced the appointment of Mr. Robert H. Craft, Vice President and Treasurer of the Guaranty Trust Company of New York, as Technical Consultant to the Federal Open Market Committee. Mr. Craft has been granted a leave of absence by the Guaranty Trust Company while he serves in this capacity.

## LAW DEPARTMENT

tees operate under clear policy directives from the board of directors; (3) effective measures are adopted to promote coordination of activities of such committees through liaison membership or otherwise; and (4) the actions of such trust investment committees are subject to review and control by the board of directors.

In commenting on the considerations underlying its views on this question, the Board noted that subsection (b), section 6 of Regulation F centers in the board of directors responsibility for the investment of trust funds, the disposition of trust investments, the supervision of the trust department and the determination of the policies of such department. Subsection (c), section 6 of Regulation F sets forth the administrative functions of the trust investment committee, and also provides that this committee may have such additional duties relating to the trust department as may be prescribed by the board of directors. The practices of national banks have not been uniform with respect to the creation of committees for discharge of the responsibilities and functions outlined in subsections (b) and (c), section 6 of Regulation F. Such committees vary considerably in name, in composition and in the scope and nature of their assigned

functions. For example, it is not unusual for the board of directors of a national bank to delegate to the trust investment committee, subject to review by the board, authority for general supervision of fiduciary activities (subsection (b) provisions) in addition to the administrative functions described in subsection (c). Under arrangements of this kind, of course, the creation of two or more trust investment committees would run counter both to the purposes underlying the provisions of the regulation and to accepted organization practice which are directed toward a centralization and continuity of authority for policy determination and general supervision of administrative activities.

On the other hand, considerations relating to the volume or character of the trust business of a national bank, or the widely separated location of the banking offices at which such business is conducted, frequently provide reason for creating more than one trust investment committee, each of which would be limited in the scope of its activities to those administrative functions outlined in subsection (c), section 6 of Regulation F. It is in such cases, and where a distinct separation is maintained between directive and administrative responsibilities, that this ruling is applicable.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Federal Reserve Meetings**

The Federal Advisory Council held a meeting in Washington on May 18-20, 1952, and met with the Board of Governors of the Federal Reserve System on May 20, 1952.

**Election of Class A Director**

The Federal Reserve Bank of Boston on May 28, 1952, announced the election of Mr. Harold I. Chandler, Vice President and Cashier, The Keene National Bank, Keene, New Hampshire, as a Class A director of the Bank for the unexpired portion of the three-year term ending December 31, 1954, to succeed Mr. Russell H. Britton, deceased. Mr. Britton was Executive Vice President

and Cashier, First National Bank of Rochester, Rochester, New Hampshire.

**Change in Board's Staff**

Mr. G. R. Murff, who had been serving as an Assistant Secretary of the Board of Governors since February 21, 1951, resigned effective May 31, 1952, to accept the position of General Auditor of the Federal Reserve Bank of Dallas. Mr. Murff has been associated with the Federal Reserve System for 33 years, having joined the staff of the El Paso Branch of the Federal Reserve Bank of Dallas on June 1, 1919. He was appointed an Assistant Examiner with the Field Staff of Examiners of the Board of Governors on January 6, 1934, and became Chief Field Examiner on November 8, 1949.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on June 18, 1952, and on June 19 the Presidents met with the Board of Governors.

On June 19 a meeting of the Federal Open Market Committee was held.

### Resignation of Mr. Powell as a Member of the Board of Governors and Retirement of Mr. Peyton as President of the Federal Reserve Bank of Minneapolis

Mr. Oliver S. Powell, who had been a member of the Board of Governors since September 1, 1950, resigned effective June 30, 1952, to become President of the Federal Reserve Bank of Minneapolis. Prior to Mr. Powell's appointment as a member of the Board of Governors, he had been serving as First Vice President of the Federal Reserve Bank of Minneapolis since November 1936. He became associated with the Reserve Bank's Business Research Division in August 1920 and in June 1927 he became head of the Research Department and Editor of its Monthly Business Review. In July 1936 he was appointed Vice President. For many years Mr. Powell has been active in banking and civic affairs and has headed various Reserve System committees on operating and related problems. He was the first educational director of the Minneapolis Chapter of the American Institute of Banking and subsequently its President. He also has been a lecturer at the Graduate School of Banking, Rutgers University, the Central States School of Banking, University of Wisconsin, and at the University of Minnesota.

Mr. Powell's letter of resignation and the President's letter of acceptance follow:

June 26, 1952.

The President,  
The White House.

Mr. President:

This letter is to tender my resignation as a Member of the Board of Governors of the Federal Reserve System effective at midnight June 30, 1952. You will recall that you appointed me to serve the remainder of the unexpired term of the late Law-

rence Clayton, which term expired February 1, 1952. Thereafter, I have continued to serve in my present capacity in accordance with the terms of the Federal Reserve Act. The Federal Reserve Bank of Minneapolis has honored me with election as its President. The Board of Directors of that institution is anxious that I assume the office on July 1, 1952. Having served for thirty years as an employee and officer of that Bank, I have a natural strong desire to serve as its President.

Throughout my service as a Member of the Board of Governors of the Federal Reserve System I have been mindful of the one admonition which you gave me in appointing me to this position; namely, that you wished the Federal Reserve System to continue to operate in the manner contemplated by the late Senator Carter Glass. In my work as a Board Member and in the special assignment as Chairman of the Voluntary Credit Restraint Committee I have attempted to use my efforts and voice in favor of a sound and stable dollar and a vigorous and effective system of private banking and finance. It has been a memorable experience to participate in the public service of the nation during the crucial months just past, and I wish, Mr. President, to express my appreciation of this opportunity which you afforded me.

Respectfully,

(Signed) OLIVER S. POWELL.

The White House  
Washington

June 30, 1952.

Dear Mr. Powell:

In accordance with the wishes expressed in your letter of June twenty-sixth, I am accepting your resignation as a member of the Board of Governors of the Federal Reserve System, effective June 30, 1952. I am very glad to know that you will still play an important role in the operations of the Federal Reserve System as President of the Federal Reserve Bank of Minneapolis.

You have served as a member of the Federal Reserve Board with distinction and may take great personal pride in the contribution of the Voluntary Credit Restraint Program under your leadership as an effective measure against inflation.

## CURRENT EVENTS AND ANNOUNCEMENTS

With every good wish for you in your new undertaking,

Very sincerely yours,

(Signed) HARRY S. TRUMAN

Honorable Oliver S. Powell,  
Board of Governors of the  
Federal Reserve System,  
Washington, D. C.

As President of the Federal Reserve Bank of Minneapolis, Mr. Powell succeeded Mr. John N. Peyton who retired effective June 30, 1952. Mr. Peyton was appointed Chairman of the Board and Federal Reserve Agent at the Federal Reserve Bank of Minneapolis effective May 15, 1933, and had served as President of the Bank since March 1, 1936. Prior to Mr. Peyton's association with the Reserve Bank he had been engaged in commercial banking for a number of years and had served for two years as Commissioner of Banks for the State of Minnesota.

#### Changes in Board's Staff

Mr. Guy E. Noyes was appointed an Assistant Director of the Division of Research and Statistics, effective July 9, 1952. He joined the Board's staff on November 1, 1948, as Assistant to the Director of the Division of Research and Statistics and subsequently served as an Assistant Director of that Division. He was serving as Assistant Administrator of the Office of Real Estate Credit on December 20, 1950, when the Division of Selective Credit Regulation was created at which time he was ap-

pointed Assistant Director. Mr. Noyes was appointed Director of the Division of Selective Credit Regulation, effective March 1, 1951, and will continue to serve also in that capacity.

Mr. C. Richard Youngdahl also was appointed an Assistant Director of the Division of Research and Statistics, effective July 9, 1952. He became associated with that Division as an Associate Economist on April 1, 1943, and on October 20, 1948, he was appointed Chief of the Banking Section. Prior to his present appointment, he had been serving as Chief of the Government Finance Section since November 22, 1949. Mr. Youngdahl recently completed a temporary assignment of several months with the Federal Reserve Bank of New York where he served as Acting Manager of the Securities Department.

Mr. Eliot J. Swan, Assistant Vice President of the Federal Reserve Bank of San Francisco, who had been serving on a temporary assignment as Acting Assistant Director of the Division of Selective Credit Regulation, has reassumed his duties at the Reserve Bank.

#### Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period May 16, 1952 to June 15, 1952:

#### *Louisiana*

Metairie—Metairie Savings Bank & Trust Company.

JOINT STATEMENT

obvious that a periodic inspection by qualified outside auditors should be of great value. The cost of such outside audits for the typical small bank would seem a small annual figure to pay for providing this valuable additional measure of protection to the bank and its board of directors, and from the standpoint of increasing the efficiency of the bank's operations.

/S/ WILLIAM A. LYON,  
Chairman of the Executive Committee,  
National Association of State Bank Supervisors.

/S/ MAPLE T. HARL,  
Chairman, Federal Deposit Insurance  
Corporation.

/S/ PRESTON DELANO,  
Comptroller, Office of the Comptroller  
of the Currency.

/S/ WM. McC. MARTIN, JR.,  
Chairman, Board of Governors of the  
Federal Reserve System.

July 3, 1952.

CURRENT EVENTS AND ANNOUNCEMENTS

Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period June 16, 1952 to July 15, 1952:

*California*  
Mar Vista—Mar Vista Commercial and Savings  
Bank.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Publication of the Annual Report of the Board of Governors

The Thirty-eighth Annual Report of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1951, is available for distribution. Copies may be obtained upon request from the Division of Administrative Services, Board of Governors, Washington 25, D. C.

### Historical Supplement to Monthly Chart Book on Bank Credit, Money Rates, and Business

The historical supplement to the monthly Federal Reserve Chart Book on Money Rates, Bank Credit, and Business has been brought up to date, primarily to meet the needs of colleges and universities. The new edition is now available for distribution on the terms indicated in the last paragraph.

The format and the charts included, of which there are 113 pages, are the same as in the April 1952 edition. A few charts for which the indexes have been shifted to a new base period are shown on the new basis. In most cases the charts cover the period beginning with 1919 or some earlier year. All charts include the latest data available on September 18, 1952.

Single copies of this supplement may be purchased for 60 cents each; in quantities of 10 or more for shipment to one address, there is a special price of 50 cents per copy. Orders should be sent to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

### Change in Board's Staff

Mr. J. Leonard Townsend resigned as Solicitor of the Board of Governors, effective August 31, in order to accept a position as Vice President and Director of the Pan American Sulphur Company, with headquarters at Dallas, Texas.

Mr. Townsend was Assistant Solicitor of the Securities and Exchange Commission when he became associated with the Board of Governors as Assistant General Attorney on March 1, 1945. A year later Mr. Townsend's title was changed to

Assistant General Counsel and on December 28, 1947, he was appointed Associate General Counsel. With the creation of the Office of the Solicitor on December 6, 1948, he was appointed Solicitor.

Mr. Townsend's services will continue to be available to the Board of Governors on a part-time basis during the pendency in the courts of the Clayton Act proceeding against Transamerica Corporation.

### Death of Director

Mr. George H. Zimmerman, Chairman of the Board and President, Wm. Cameron and Company, Waco, Texas, who had served as a Class B director of the Federal Reserve Bank of Dallas since April 24, 1951, died on August 29, 1952.

### New Edition of U. S. Government Manual

The 1952-53 edition of the United States Government Organization Manual is off the press and may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for \$1 a copy.

The Manual is published by the Federal Register Division, National Archives and Records Service, General Services Administration. It contains sections descriptive of the agencies in the legislative, judicial and executive branches of the Government. Supplemental information includes (1) brief descriptions of quasi-official agencies and selected international organizations, (2) charts of the more complex agencies, and (3) appendixes relating to abolished or transferred agencies and to governmental publications.

### Admission of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period July 16, 1952 to August 15, 1952:

#### *Missouri*

St. Joseph—The First Trust Company.

#### *Ohio*

Fairborn—The Farmers and Merchants Bank.



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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on September 23 and 24, and on September 26 the Presidents met with the Board of Governors.

On September 25 a meeting of the Federal Open Market Committee was held.

The Federal Advisory Council held a meeting in Washington on October 5-7, 1952, and met with the Board of Governors of the Federal Reserve System on October 7, 1952.

### Changes in the Board's Organization

With the suspension of Regulation X, the Board of Governors approved the discontinuance of the Division of Selective Credit Regulation, which was established December 20, 1950, to administer Regulations W and X and the V-Loan Program.

To continue the functions under the V-Loan Program, the Office of Defense Loans was established and Mr. Gardner L. Boothe II, formerly an Assistant Director of the Division of Selective Credit Regulation, was appointed as Administrator, Office of Defense Loans.

Mr. Glenn M. Goodman was appointed an Assistant Director of the Board's Division of Examinations, effective September 23, 1952. Mr. Goodman became associated with the Board in 1933 and had been serving as a Federal Reserve Examiner since January 1, 1934.

Mr. Henry Benner, formerly an Assistant Director of the Division of Selective Credit Regulation, was appointed an Assistant Director of the Division of Examinations effective September 23, 1952. Mr. Benner became associated with the Board of Governors in September 1950, in connection with activities relating to Regulation X, after having served approximately thirteen years with the Federal Reserve Bank of Philadelphia.

### Appointment of Class C Director

On October 2, 1952, the Board of Governors announced the appointment of Mr. Hal Bogle of Dexter, New Mexico, as a Class C director of the

Federal Reserve Bank of Dallas for the unexpired portion of the term ending December 31, 1953. Mr. Bogle is engaged in livestock feeding, farming, and ranching. He succeeded Mr. G. A. Frierson, merchant and planter of Shreveport, Louisiana, who resigned.

Mr. Bogle had been serving as a director of the El Paso Branch of the Federal Reserve Bank of Dallas since March 13, 1945.

### Revised Annual Industrial Production Indexes

Tentative new annual production indexes for five groups of manufacturing industries (chemicals, transportation equipment, ordnance, instruments, and miscellaneous) and for the mining industry groups, covering the period since 1947, have been developed in the course of revising the Board's industrial production index. Completion of similar indexes for 16 groups of manufacturing industries was announced in the BULLETIN for May 1952, page 502. All of the new indexes, together with tentative new totals for manufacturing and mining and information on weights, base period quantities, and sources of data, are available for distribution to interested persons for the purpose of obtaining critical comments prior to final review and publication. None of the new indexes are for publication in their present form.

The material is arranged by major industry groups and may be obtained for a single group or for all manufacturing and mining groups on request to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

### Admission of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period August 16, 1952 to September 15, 1952:

#### *North Carolina*

Rockingham—Richmond County Bank.

#### *South Dakota*

Rapid City—Rapid City Trust Company.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

The Federal Advisory Council held a meeting in Washington on November 16-18, 1952, and met with the Board of Governors of the Federal Reserve System on November 18.

A meeting of the Chairmen of the Federal Reserve Banks, which was also attended by members of the Board of Governors, was held on December 4-5, 1952.

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on December 7-9, 1952, and on December 9 the Presidents met with the Board of Governors.

On December 8 a meeting of the Federal Open Market Committee was held.

### Election of Class B Director

The Federal Reserve Bank of Dallas on November 18, 1952, announced the election of Mr. D. A. Hulcy, Chairman of the Board and President, Lone Star Gas Company, Dallas, Texas, as a Class B director of the Bank for the unexpired portion of the term ending December 31, 1954, to succeed Mr. George H. Zimmerman, deceased. Mr. Zimmer-

man was Chairman of the Board and President, Wm. Cameron & Company, Waco, Texas.

### Death of Director

Mr. Ernest H. Hahne, President, Miami University, Oxford, Ohio, who had served as a director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland since January 1, 1949, died on November 25, 1952.

### Admission of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period September 16, 1952 to November 15, 1952:

#### *Colorado*

Englewood—Englewood State Bank.

#### *New York*

Northport—Northport Trust Company.

#### *Tennessee*

Columbia—Farmers and Merchants Bank.

#### *Wisconsin*

Three Lakes—The Peoples State Bank.

## CURRENT EVENTS AND ANNOUNCEMENTS

### Earnings and Expenses of the Federal Reserve Banks in 1952 and 1951

A condensed comparative statement of earnings and expenses of the Federal Reserve Banks in 1952 and 1951 is shown below. A detailed statement of earnings and expenses of each Federal Reserve Bank in 1952 will appear in the February Federal Reserve BULLETIN.

Item	Thousands of dollars	
	1952	1951
Current earnings .....	456,060	394,656
Current expenses .....	104,694	95,469
Current net earnings .....	351,366	299,187
Additions to current net earnings .....	12,195	425
Deductions from current net earnings .....	611	12,553
Net additions or deductions (-) .....	1,584	-2,128
Net earnings before payments to U. S. Treasury .....	352,950	297,059
Paid U. S. Treasury (interest on F. R. notes) .....	291,934	254,874
Dividends .....	14,682	13,865
Transferred to surplus (Sec. 7) .....	46,334	28,320

<sup>1</sup> Includes net profits of \$1,992,000 in 1952 and net losses of \$1,586,000 in 1951 on sales of U. S. Government securities.

### Changes in BULLETIN Tables

A number of changes have been made in the content and arrangement of BULLETIN tables on pages 34 to 46. New tables are included on the major assets of life insurance companies and of savings and loan associations, selected assets and liabilities of Government corporations and credit agencies, net change in outstanding corporate securities, current assets and liabilities of United States corporations, and business expenditures on new plant and equipment. The tables on Treasury receipts and expenditures and the Securities and Exchange Commission data on new security issues have been expanded considerably. Data on life insurance company commitments and the *Commercial and Financial Chronicle* data on new security issues (pages 1308 and 1311, respectively, of the BULLETIN for December 1952) have been deleted.

### Tables Published Annually and Semiannually, with Latest BULLETIN Reference

	Semiannually	Issue	Page
Banking offices:			
Analysis of changes in number of . . . .	Aug. 1952		940
On, and not on, Federal Reserve Par List, number of . . . . .	Aug. 1952		941
<i>Annually</i>			
Bank suspensions . . . . .	Feb. 1952		135
Earnings and expenses:			
Federal Reserve Banks . . . . .	Mar. 1952		314-315
Member banks:			
Calendar year . . . . .	May 1952		556-566
First half of year . . . . .	Oct. 1952		1159
Banks and branches, number of, by class and State . . . . .	May 1952		567-568
Operating ratios, member banks . . . . .	Aug. 1952		937-939

### Deposit Data by Counties and Metropolitan Areas

The Board of Governors now has available a pamphlet showing the geographical distribution of bank deposits as of June 30, 1952. Data are given for total deposits, demand deposits, and time deposits of individuals, partnerships, and corporations. A similar pamphlet was published by the Board as of December 30, 1950. Copies of the new pamphlet, entitled "Distribution of Bank Deposits by Counties and Standard Metropolitan Areas," may be obtained upon request from the Board's Division of Administrative Services, Washington 25, D. C.

### Resignations and Appointment of Class C Director and Chairman and Federal Reserve Agent

On January 13, 1953, the Board of Governors accepted the resignation of Mr. R. B. Anderson, General Manager, W. T. Waggoner Estate, Vernon, Texas, as a Class C director and Deputy Chairman at the Federal Reserve Bank of Dallas. Mr. Anderson resigned to accept appointment as Secretary of the Navy. He had been serving since January 1, 1946.

Mr. Robert T. Stevens, Chairman of the Board, J. P. Stevens and Company, New York, New York, who had been serving as a Class C director and as Chairman and Federal Reserve Agent at the Federal Reserve Bank of New York since May 14, 1948, resigned effective January 19, 1953, to accept appointment as Secretary of the Army.

To succeed Mr. Stevens, the Board of Governors appointed Mr. Jay E. Crane, Vice President, Stand-

## CURRENT EVENTS AND ANNOUNCEMENTS

ard Oil Company (New Jersey), New York, New York, effective January 20, 1953, as a Class C director of the Federal Reserve Bank of New York for the unexpired portion of the three-year term ending December 31, 1953, and designated him Chairman and Federal Reserve Agent at the Bank for the remainder of the current year.

Mr. Crane was employed by the Federal Reserve Bank of New York from December 6, 1915, through April 30, 1935, and served as an officer of the Bank from January 1, 1919. Immediately prior to his present appointment he had been serving since January 1, 1949, as a Class B director of the Bank, elected by member banks of the Second Federal Reserve District.

**Resignation of Class B Director**

Mr. Marion B. Folsom, Treasurer and Director, Eastman Kodak Company, Rochester, New York, who had been serving as a Class B director of the Federal Reserve Bank of New York since July 15, 1949, resigned effective January 19, 1953, to accept appointment as Under Secretary of the Treasury.

**Appointments of Branch Directors**

On December 18, 1952, the Board of Governors announced the appointment of Mr. John C. Baker, President, Ohio University, Athens, Ohio, as a director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland for the unexpired portion of the term ending December 31, 1954. Mr. Baker succeeded Mr. Ernest H. Hahne, President, Miami University, Oxford, Ohio, deceased.

On January 19, 1953, the Board of Governors announced the following appointments of directors:

Mr. Bryant Essick, President, Essick Manufacturing Company, Los Angeles, California, was appointed a director of the Los Angeles Branch of the Federal Reserve Bank of San Francisco for the unexpired portion of the two-year term ending December 31, 1954. Mr. Essick succeeded Mr. Fred G. Sherrill, Vice President, J. G. Boswell Com-

pany, Los Angeles, California, whose term expired.

Mr. George W. Watkins, President, Snake River Equipment Company, Idaho Falls, Idaho, was appointed a director of the Salt Lake City Branch of the Federal Reserve Bank of San Francisco for the unexpired portion of the two-year term ending December 31, 1954. Mr. Watkins succeeded Mr. Merle G. Hyer of Lewiston, Utah, who is engaged in livestock raising and farming, and whose term expired.

Mr. Joseph Rosenblatt, President, The Eimco Corporation, Salt Lake City, Utah, was appointed a director of the Salt Lake City Branch of the Federal Reserve Bank of San Francisco for the unexpired portion of the two-year term ending December 31, 1953. Mr. Rosenblatt succeeded Mr. Frank M. Browning, President, Ogden Buick Sales Company, Ogden, Utah, who resigned.

**Deaths of Directors**

Mr. J. A. McCrary, Vice President and Treasurer, J. B. McCrary Company, Inc., Atlanta, Georgia, who had been serving as a Class B director of the Federal Reserve Bank of Atlanta since November 16, 1914, died on January 8, 1953.

Mr. Roy L. Patrick, President, Rock of Ages Corporation, Burlington, Vermont, who had been serving as a Class B director of the Federal Reserve Bank of Boston since July 6, 1944, died on January 14, 1953.

**Admission of State Banks to Membership in the Federal Reserve System**

The following State banks were admitted to membership in the Federal Reserve System during the period November 16, 1952 to December 15, 1952:

*New York*

New Hyde Park—Bank of New Hyde Park

*Utah*

Ogden—Bank of Utah

## CURRENT EVENTS AND ANNOUNCEMENTS

## Appointments of Chairmen, Deputy Chairmen, and Directors

The following designations and appointments at the Federal Reserve Banks and branches have been made by the Board of Governors of the Federal Reserve System.

## CHAIRMEN AND FEDERAL RESERVE AGENTS FOR YEAR 1953

<i>Federal Reserve Bank</i>	<i>Name of Appointee</i>
Boston .....	Harold D. Hodgkinson of Boston, Massachusetts
Philadelphia .....	*William J. Meinel of Huntingdon Valley, Pennsylvania
Cleveland .....	*John C. Virden of Shaker Heights, Ohio
Richmond .....	Charles P. McCormick of Baltimore, Maryland
Atlanta .....	Frank H. Neely of Atlanta, Georgia
Chicago .....	*John S. Coleman of Detroit, Michigan
St. Louis .....	Russell L. Dearmont of St. Louis, Missouri
Minneapolis .....	Roger B. Shepard of St. Paul, Minnesota
Kansas City .....	*Raymond W. Hall of Kansas City, Missouri
Dallas .....	J. R. Parten of Houston, Texas
San Francisco .....	Brayton Wilbur of Burlingame, California

## DEPUTY CHAIRMEN FOR YEAR 1953

Boston .....	Ames Stevens of North Andover, Massachusetts
New York .....	William I. Myers of Ithaca, New York
Philadelphia .....	C. Canby Balderston of Media, Pennsylvania
Cleveland .....	*Leo L. Rummell of Columbus, Ohio
Richmond .....	John B. Woodward, Jr., of Newport News, Virginia
Atlanta .....	Rufus C. Harris of New Orleans, Louisiana
St. Louis .....	Wm. H. Bryce of Memphis, Tennessee
Minneapolis .....	Paul E. Miller of St. Paul, Minnesota
Kansas City .....	Cecil Puckett of Denver, Colorado
San Francisco .....	William R. Wallace, Jr., of San Francisco, California

## FEDERAL RESERVE BANK DIRECTORS†

(Appointed by the Board of Governors for three-year terms beginning January 1, 1953)

Boston .....	Harold D. Hodgkinson of Boston, Massachusetts
New York .....	Philip Young of Van Hornesville, New York
Philadelphia .....	*Henderson Supplee, Jr., of Radnor, Pennsylvania
Cleveland .....	*Sidney A. Swensrud of Pittsburgh, Pennsylvania
Richmond .....	John B. Woodward, Jr., of Newport News, Virginia
Atlanta .....	Rufus C. Harris of New Orleans, Louisiana
Chicago .....	John S. Coleman of Detroit, Michigan
St. Louis .....	Russell L. Dearmont of St. Louis, Missouri
Minneapolis .....	F. A. Flodin of Iron Mountain, Michigan
Kansas City .....	*Raymond W. Hall of Kansas City, Missouri
Dallas .....	J. R. Parten of Houston, Texas
San Francisco .....	Brayton Wilbur of Burlingame, California

\* Indicates position filled by a new incumbent.

† Each Federal Reserve Bank has a Board of Directors consisting of nine members, divided into three classes, designated as Classes A, B, and C. The six A and B directors are elected by the member banks, and the three C directors are appointed by the Board of Governors. The terms of two of the elected directors and one of the appointed directors expire at the end of each year.

## CURRENT EVENTS AND ANNOUNCEMENTS

<i>Federal Reserve Bank and Branch</i>	<i>Name of Appointee</i>
FEDERAL RESERVE BANK BRANCH DIRECTORS††	
<i>New York</i>	
Buffalo .....	Edgar F. Wendt of Buffalo, New York
<i>Cleveland</i>	
Cincinnati .....	H. C. Besuden of Winchester, Kentucky
Pittsburgh .....	*Douglas M. Moorhead of North East, Pennsylvania
<i>Richmond</i>	
Baltimore ..	*Howard M. Taylor, Jr., of Baltimore, Maryland
<i>Atlanta</i>	
Birmingham .....	Thad Holt of Birmingham, Alabama
Jacksonville .....	*Harry Smith of Winter Garden, Florida
Nashville .....	*Ernest Moench of Nashville, Tennessee
New Orleans .....	E. O. Batson of New Orleans, Louisiana
<i>St. Louis</i>	
Little Rock .....	Stonewall J. Beauchamp of Little Rock, Arkansas
Louisville .....	Smith D. Broadbent, Jr., of Cadiz, Kentucky
Memphis .....	*Henry Banks of Clarkedale, Arkansas
<i>Minneapolis</i>	
Helena .....	‡John E. Corette of Butte, Montana
<i>Kansas City</i>	
Denver .....	‡G. Norman Winder of Craig, Colorado
Oklahoma City .....	*‡Phil H. Lowery of Loco, Oklahoma
Omaha .....	*‡Manville Kendrick of Sheridan, Wyoming
<i>Dallas</i>	
Houston .....	Charles N. Shepardson of College Station, Texas
San Antonio .....	D. Hayden Perry of Robstown, Texas
<i>San Francisco</i>	
Seattle .....	‡Ralph Sundquist of Yakima, Washington

†† Federal Reserve Bank branches have either five or seven directors, of whom a majority are appointed by the board of directors of the parent Federal Reserve Bank and the others are appointed by the Board of Governors of the Federal Reserve System. One of the directors appointed by the Board of Governors at each branch is designated annually as **Chairman** of the Board in such manner as the Federal Reserve Bank may prescribe.

‡ Indicates appointment for two-year term beginning January 1, 1953. All other appointments are for three-year terms.

\* Indicates position filled by a new incumbent.

The new appointees are as follows:

#### Federal Reserve Bank of Philadelphia

Mr. William J. Meinel of Huntingdon Valley, Pennsylvania, who has been serving as a Board-appointed director of the Federal Reserve Bank of Philadelphia since August 6, 1951, was designated Chairman and Federal Reserve Agent for the year 1953. Mr. Meinel served as a director of the Philadelphia Reserve Bank, elected by the member banks of that District, from January 1, 1947, to August 6, 1951. He is President and Chairman of the Board of the Heintz Manufacturing Company, Philadelphia, Pennsylvania.

Mr. Henderson Supplee, Jr., of Radnor, Pennsylvania, was appointed a director of the Federal Reserve Bank of Philadelphia for a three-year term beginning January 1, 1953. Mr. Supplee is President of the Atlantic Refining Company, Philadelphia, Pennsylvania.

#### Federal Reserve Bank of Cleveland

Mr. John C. Virden of Shaker Heights, Ohio, who has been serving as a Board-appointed director of the Federal Reserve Bank of Cleveland and Deputy Chairman since January 1, 1951, was designated

## CURRENT EVENTS AND ANNOUNCEMENTS

Chairman and Federal Reserve Agent for the year 1953. Mr. Virden is Chairman of the Board of the John C. Virden Company, Cleveland, Ohio.

Mr. Leo L. Rummell of Columbus, Ohio, who has been serving as a Board-appointed director of the Federal Reserve Bank of Cleveland since January 1, 1949, was appointed Deputy Chairman for the year 1953. Mr. Rummell is Dean of the College of Agriculture, The Ohio State University, Columbus, Ohio.

Mr. Sidney A. Swensrud of Pittsburgh, Pennsylvania, who has been serving as a Board-appointed director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland since February 3, 1949, was appointed a director of the Federal Reserve Bank of Cleveland for a three-year term beginning January 1, 1953. Mr. Swensrud is President of the Gulf Oil Corporation, Pittsburgh, Pennsylvania.

Mr. Douglas M. Moorhead of North East, Pennsylvania, was appointed a director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland for a three-year term beginning January 1, 1953. Mr. Moorhead is engaged in farming.

**Federal Reserve Bank of Richmond**

Mr. Howard M. Taylor, Jr., of Baltimore, Maryland, was appointed a director of the Baltimore Branch of the Federal Reserve Bank of Richmond for a three-year term beginning January 1, 1953. Mr. Taylor is Vice President of the International Bedding Company, Baltimore, Maryland.

**Federal Reserve Bank of Atlanta**

Mr. Harry Smith of Winter Garden, Florida, was appointed a director of the Jacksonville Branch of the Federal Reserve Bank of Atlanta for a three-year term beginning January 1, 1953. Mr. Smith is associated with the Winter Garden Ornamental Nurseries, Inc., Winter Garden, Florida.

Mr. Ernest Moench of Nashville, Tennessee, was appointed a director of the Nashville Branch of the Federal Reserve Bank of Atlanta for a three-year term beginning January 1, 1953. Mr. Moench is President of the Tennessee Tufting Company, Nashville, Tennessee.

**Federal Reserve Bank of Chicago**

Mr. John S. Coleman of Detroit, Michigan, who has been serving as a Board-appointed director of the Federal Reserve Bank of Chicago and Deputy Chairman since January 1, 1950, was designated Chairman and Federal Reserve Agent for the year 1953. Mr. Coleman is President of the Burroughs Adding Machine Company, Detroit, Michigan.

**Federal Reserve Bank of St. Louis**

Mr. Henry Banks of Clarkedale, Arkansas, was appointed a director of the Memphis Branch of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1953. Mr. Banks is engaged in farming.

**Federal Reserve Bank of Kansas City**

Mr. Raymond W. Hall of Kansas City, Missouri, was appointed a director of the Federal Reserve Bank of Kansas City for a three-year term beginning January 1, 1953, and designated Chairman and Federal Reserve Agent for the year 1953. He is Vice President and Controller of Hall Brothers, Inc., Kansas City, Missouri. Mr. Hall formerly was associated with the Federal Reserve Bank of Kansas City as Vice President and General Counsel from January 1, 1943, to June 1, 1943, when he was appointed Vice President, General Counsel and Secretary. He resigned effective January 31, 1945, to join the firm of Hall Brothers, Inc.

Mr. Phil H. Lowery of Loco, Oklahoma, was appointed a director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City for a two-year term beginning January 1, 1953. Mr. Lowery is the owner and operator of the Lowery Hereford Ranch.

Mr. Manville Kendrick of Sheridan, Wyoming, was appointed a director of the Omaha Branch of the Federal Reserve Bank of Kansas City for a two-year term beginning January 1, 1953. Mr. Kendrick is engaged in ranching.

DIRECTORS OF FEDERAL RESERVE BANKS AND BRANCHES

*Term Expires Dec. 31*

Frank Wortman.....	President, The First National Bank of McMinnville, McMinnville, Ore. ....	1954
John B. Rogers.....	President, First National Bank of Baker, Baker, Ore.....	1954

*Appointed by Board of Governors:*

Aaron M. Frank <sup>1</sup> .....	President, Meier & Frank Company, Inc., Portland, Ore.....	1953
William H. Steiwer, Sr.....	Livestock and farming, Fossil, Ore.....	1954

**Salt Lake City Branch**

*Appointed by Federal Reserve Bank:*

Harry Eaton .....	Vice President, Twin Falls Bank and Trust Company, Twin Falls, Idaho .....	1953
James W. Collins.....	President, Tracy-Collins Trust Company, Salt Lake City, Utah	1954
George S. Eccles.....	President, First Security Bank of Utah, National Association, Ogden, Utah .....	1954

*Appointed by Board of Governors:*

Joseph Rosenblatt <sup>1</sup> .....	President, The Eimco Corporation, Salt Lake City, Utah.....	1953
George W. Watkins.....	President, Snake River Equipment Company, Idaho Falls, Idaho	1954

**Seattle Branch**

*Appointed by Federal Reserve Bank:*

Chas. F. Frankland.....	President, The Pacific National Bank of Seattle, Seattle, Wash.	1953
George H. Jackson .....	President, First National Bank in Spokane, Spokane, Wash....	1954
W. M. Jenkins.....	President, First National Bank of Everett, Everett, Wash.....	1954

*Appointed by Board of Governors:*

D. K. MacDonald <sup>1</sup> .....	President, D. K. MacDonald & Company, Inc., Seattle, Wash....	1953
Ralph Sundquist.....	President and General Manager, Sundquist Fruit & Cold Storage, Inc., Yakima, Wash.....	1954

<sup>1</sup>Chairman.

**CURRENT EVENTS AND ANNOUNCEMENTS**

**Federal Reserve Charts on Bank Credit, Money Rates, and Business**

The Board of Governors has completed a revision of the monthly Federal Reserve Chart Book on Bank Credit, Money Rates, and Business. The first monthly issue of the revised charts, containing all information available as of February 16 with space for continuation through 1954, is now available.

The annual subscription price for 12 issues of the Chart Book, including one issue of the supplementary historical Chart Book, is \$6.00 Single copies

of monthly issues or the historical supplement may be purchased for 60 cents each; in quantities of 10 or more copies of a single issue for shipment to one address, there is a special price of 50 cents per copy.

**New BULLETIN Tables**

The tabular section of the BULLETIN (pages 154-155) includes three new tables on Treasury finance, which provide considerable details concerning Treasury operations on a cash basis.



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Earnings and expenses:	Feb. 1952	135
Federal Reserve Banks.....	Feb. 1953	182-183
Member banks:		
Calendar year.....	May 1952	556-566
First half of year.....	Oct. 1952	1159
Banks and branches, number of, by class and State.....	May 1952	567-568
Operating ratios, member banks.....	Aug. 1952	937-939

**Resignation of Branch Director**

Mr. Joseph M. Dodge, Chairman, The Detroit Bank, Detroit, Michigan, who had been serving as a director of the Detroit Branch since January 1, 1952, resigned effective January 19, 1953, to accept appointment as Director of the Budget. Mr. Dodge formerly had served as a director of the Detroit Branch from January 6, 1938, through December 31, 1944, when his term expired.

**Death of Director**

Mr. John W. Cordts, President, Southwest National Bank, El Paso, Texas, who had served as a director of the El Paso Branch of the Federal Reserve Bank of Dallas since January 1, 1952, died on January 19, 1953.

**Appointment of Class C Director and Deputy Chairman**

On February 11, 1953, the Board of Governors announced the appointment of Mr. Robert J. Smith, President, Pioneer Air Lines, Incorporated, Dallas, Texas, as a Class C director of the Federal Reserve Bank of Dallas for the term ending December 31, 1954, and Deputy Chairman for the remaining portion of the year 1953. Mr. Smith succeeded Mr. R. B. Anderson, General Manager, W. T. Waggoner Estate, Vernon, Texas, who resigned to accept appointment as Secretary of the Navy.

**Appointments of Branch Directors**

On January 22, 1953, the Board of Governors announced the appointment of Mr. William H. Steiwer, Sr., rancher, of Fossil, Oregon, as director of the Portland Branch of the Federal Reserve Bank of San Francisco for the two-year term ending December 31, 1954. Mr. Steiwer succeeded Mr. Robert B. Taylor, who is engaged in livestock raising and farming at Adams, Oregon, and whose term expired.

On January 30, 1953, the Board of Governors announced the appointment of Mr. Everly J. Workman, President, New Mexico School of Mines, Socorro, New Mexico, as a director of the El Paso Branch of the Federal Reserve Bank of Dallas for the term ending December 31, 1955. Mr. Workman succeeded Mr. Hiram S. Corbett, President, J. Knox Corbett Lumber Company, Tucson, Arizona, whose term expired.

On January 30, 1953, the Board of Governors announced the appointment of Mr. Dean F. Stahmann, a farmer of Las Cruces, New Mexico, as a director of the El Paso Branch of the Federal Reserve Bank of Dallas for the three-year term ending December 31, 1953. Mr. Stahmann succeeded Mr. Hal Bogle, who resigned to accept the Board's appointment as a director of the Federal Reserve Bank of Dallas. Mr. Bogle is engaged in livestock feeding, farming, and ranching at Dexter, New Mexico.

On February 11, 1953, the Federal Reserve Bank of Chicago appointed Mr. Raymond T. Perring, President, The Detroit Bank, Detroit, Michigan, as a director of the Detroit Branch for the term ending December 31, 1953. Mr. Perring succeeded Mr. Joseph M. Dodge, Chairman of The Detroit Bank, who resigned.

On February 11, 1953, the Federal Reserve Bank of Dallas appointed Mr. John P. Butler, President, First National Bank of Midland, Midland, Texas, as a director of the El Paso Branch for the term ending December 31, 1954. Mr. Butler succeeded Mr. John W. Cordts, President, Southwest National Bank, El Paso, Texas, deceased.

**Admissions of State Banks to Membership in the Federal Reserve System**

The following State banks were admitted to membership in the Federal Reserve System during the period December 16, 1952 to January 15, 1953:

*Alabama*

Oxford—The First State Bank of Oxford.

*Iowa*

Hartley—Security State Bank.

*New York*

Monticello—The Sullivan County Trust Company.

*Wisconsin*

Sturgeon Bay—Bank of Sturgeon Bay.

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## LAW DEPARTMENT

*Administrative interpretations of banking laws, new regulations issued by the Board of Governors, and other similar material*

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### Margin Requirements for Purchasing Securities

#### Supplements to Regulations T and U

The Board of Governors of the Federal Reserve System, effective February 20, 1953, amended the Supplement to Regulation T entitled "Extension and Maintenance of Credit by Brokers, Dealers, and Members of National Securities Exchanges," and amended the Supplement to Regulation U entitled "Loans by Banks for the Purpose of Purchasing or Carrying Stocks Registered on a National Securities Exchange" so as to decrease the margin requirements from 75 per cent to 50 per cent for credit extended by brokers and banks to finance purchases of stock exchange securities. The decreased margins also apply to short sales. The texts of the Supplements as thus amended are as follows:

#### SUPPLEMENT TO REGULATION T

Issued by the Board of Governors of the Federal Reserve System  
Effective February 20, 1953

**Maximum loan value for general accounts.**—The maximum loan value of a registered security (other than an exempted security) in a general account, subject to section 3 of Regulation T, shall be 50 per cent of its current market value.

**Margin required for short sales in general accounts.**—The amount to be included in the adjusted debit balance of a general account, pursuant to section 3(d)(3) of Regulation T, as margin required for short sales of securities (other than exempted securities) shall be 50 per cent of the current market value of each such security.

#### SUPPLEMENT TO REGULATION U

Issued by the Board of Governors of the Federal Reserve System  
Effective February 20, 1953

For the purpose of section 1 of Regulation U, the maximum loan value of any stock, whether or not registered on a national securities exchange, shall be 50 per cent of its current market value, as determined by any reasonable method.

## CURRENT EVENTS AND ANNOUNCEMENTS

### Federal Reserve Meetings

The Federal Advisory Council met in Washington on February 15-17, 1953. The annual organization meeting of the Council was held on February 15, at which Edward E. Brown, Chairman of the First National Bank of Chicago, was re-elected President; Robert V. Fleming, President and Chairman of The Riggs National Bank, was re-elected Vice President; and Herbert V. Prochnow was reappointed Secretary. The Council met with the Board of Governors of the Federal Reserve System on February 17.

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on March 2 and 3, and on March 5 the Presidents met with the Board of Governors of the Federal Reserve System.

On March 4 and 5 a meeting of the Federal Open Market Committee was held. At the meeting on March 4, William McC. Martin, Jr., was

re-elected Chairman of the Committee and Allan Sproul, Vice Chairman. The representative members of the Committee elected by the Federal Reserve Banks for the period of one year beginning March 1, 1953, are Allan Sproul, J. A. Erickson, Ray M. Gidney, Delos C. Johns, and O. S. Powell, Presidents of the Federal Reserve Banks of New York, Boston, Cleveland, St. Louis, and Minneapolis, respectively.

### Appointment of Class C Director and Deputy Chairman

On February 25, 1953, the Board of Governors announced the appointment of Mr. Bert R. Prall, President, Butler Brothers, Chicago, Illinois, as a Class C director of the Federal Reserve Bank of Chicago for the term ending December 31, 1954, and Deputy Chairman for the remaining portion of the year 1953. Mr. Prall succeeded Mr. Franklin J. Lunding, Director and Chief Executive Officer,

CURRENT EVENTS AND ANNOUNCEMENTS

Jewel Tea Company, Inc., Chicago, Illinois, who resigned.

**Resignation of Branch Director**

On February 13, 1953, the Federal Reserve Bank of Atlanta accepted the resignation of Mr. A. J. Goodwin, Jr., Vice President, The Anniston National Bank, Anniston, Alabama, as a director of the Birmingham Branch. Mr. Goodwin had served as a director of the Birmingham Branch since January 1, 1952.

**Election of Class B Director**

The Federal Reserve Bank of Atlanta on March 10, 1953, announced the election of Mr. Pollard Turman, President, J. M. Tull Metal and Supply Company, Inc., Atlanta, Georgia, as a Class B director of the Bank for the term ending December 31, 1954. He succeeded Mr. J. A. McCrary, Vice President and Treasurer, J. B. McCrary Company, Inc., Atlanta, Georgia. Mr. Turman served as Counsel for the Federal Reserve Bank of Atlanta from May 1, 1939, until June 1, 1944, when he was appointed General Counsel. He served in that capacity until June 1, 1947, when he resigned to become associated with the J. M. Tull Metal and Supply Company, Inc.

**Appointments of Branch Directors**

On March 13, 1953, the Federal Reserve Bank of Atlanta appointed Mr. Malcolm A. Smith, First Vice President, Birmingham Trust National Bank, Birmingham, Alabama, as a director of the Birmingham Branch for the term expiring December 31, 1954. Mr. Smith succeeded Mr. A. J. Goodwin, Jr., who resigned.

On March 17, 1953, the Board of Governors announced the appointment of Mr. Thomas H. Wilson, President, Treasurer, and Advertising Manager, Henredon Furniture Industries, Inc., Morganton, N. C., as a director of the Charlotte Branch of the Federal Reserve Bank of Richmond for the term ending December 31, 1955. Mr. Wilson succeeded Mr. W. A. L. Sibley, Vice President and Treasurer, Monarch Mills, Union, S. C., whose term expired.

**New BULLETIN Tables**

New tables on real estate credit, on pages 273-275 of this BULLETIN, bring together pertinent data from various sources. Federal Reserve estimates are included for several series, chiefly to provide current data at more frequent intervals.

The tables relate principally to outstanding credit and include data on debt by major types of property mortgaged, mortgages held by major types of investors, and Federally-underwritten and conventional debt. Data are shown for total mortgage debt and for debt secured by small nonfarm, other nonfarm, and farm properties. Mortgage holdings, in some detail, are shown for the major types of private financial institutions—commercial banks, mutual savings banks, life insurance companies, and savings and loan associations—and for selected Federal agencies and others.

The tables also include data on the volume of mortgage lending as shown in mortgage recordings of \$20,000 or less, in activities of savings and loan associations and life insurance companies, and in operations of Federal agencies that influence mortgage lending volume and practices, including the Federal Housing Administration, Veterans Administration, Federal National Mortgage Association, and Federal Home Loan Banks.

The set of tables on consumer credit, which previously followed the gross national product and related series, now is included on pages 276-278 of this BULLETIN, after the new set on real estate credit statistics.

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Bank suspensions . . . . .		Feb. 1952	135
<i>Earnings and expenses:</i>			
Federal Reserve Banks . . . . .		Feb. 1953	182-183
<i>Member banks:</i>			
Calendar year . . . . .		May 1952	556-566
First half of year . . . . .		Oct. 1952	1159
Banks and branches, number of, by class and State . . . . .		May 1952	567-568
Operating ratios, member banks . . . . .		Aug. 1952	937-939

**Admissions of State Banks to Membership in the Federal Reserve System**

The following State banks were admitted to membership in the Federal Reserve System during the period January 16, 1953 to February 15, 1953:

*California*

- Compton—Compton Commercial and Savings Bank.
- San Francisco—The Bank of Tokyo of California.
- San Francisco—The Sumitomo Bank (California).

**CURRENT EVENTS AND ANNOUNCEMENTS**

**Historical Supplement to Monthly Chart Book on Bank Credit, Money Rates, and Business**

The spring edition of the historical supplement to the monthly Federal Reserve Chart Book on Money Rates, Bank Credit, and Business will be available for distribution about mid-May, on the terms indicated on page 442. The format of the book and most of the charts included will be the same as in the September 1952 edition. Most charts will include the latest data available in April.

**Election of Class A and Class B Directors**

On March 20, 1953, the Federal Reserve Bank of New York announced the elections of the following Class A and Class B directors of the Bank:

N. Baxter Jackson, Chairman of the Board, Chemical Bank and Trust Company, New York, N. Y., was elected a Class A director of the Federal Reserve Bank of New York for the term ending December 31, 1955. He succeeded Mr. John C. Traphagen, Chairman of the Board, The Bank of New York, New York, whose term expired. Mr. Jackson served as the Member of the Federal Advisory Council to represent the Second Federal Reserve district from January 1, 1950 through December 31, 1952.

Lansing P. Shield, President, The Grand Union Company, East Paterson, N. J., was elected a Class B director of the Federal Reserve Bank of New York for the term ending December 31, 1953. He succeeded Mr. Marion B. Folsom, Treasurer and Director, Eastman Kodak Company, Rochester, N. Y., who resigned to accept appointment as Under Secretary of the Treasury.

John E. Bierwirth, President, National Distillers Products Corporation, New York, N. Y., was elected a Class B director of the Federal Reserve Bank of New York for the term ending December 31, 1954. He succeeded Mr. J. E. Crane, Vice President, Standard Oil Company (New Jersey), New York, N. Y., who resigned to accept appointment as a Class C director and Chairman and Federal Reserve Agent of the Federal Reserve Bank of New York.

**Resignation of Class C Director**

On March 18, 1953, the Board of Governors accepted the resignation of Mr. Philip Young, Dean,

Graduate School of Business, Columbia University, New York, N. Y., as a Class C director of the Federal Reserve Bank of New York. Mr. Young resigned to accept appointment as the Chairman of the Civil Service Commission. He had served as a Class C director since April 29, 1952.

**Resignation of Branch Director**

Effective March 13, 1953, the Board of Governors accepted the resignation of Mr. John A. Hannah, President, Michigan State College, East Lansing, Michigan, as a director of the Detroit Branch of the Federal Reserve Bank of Chicago. Mr. Hannah resigned following his appointment as Assistant Secretary of Defense. He had served as a director of the Detroit Branch since January 1, 1951.

**Appointment of Branch Director**

On April 7, 1953, the Board of Governors announced the appointment of Mr. Clifford M. Hardin, Director, Michigan Agricultural Experiment Station, Michigan State College, East Lansing, Michigan, as a director of the Detroit Branch of the Federal Reserve Bank of Chicago for the term ending December 31, 1954. Mr. Hardin succeeded Mr. John A. Hannah, who resigned.

**Tables Published Annually and Semiannually, with Latest BULLETIN Reference**

	<i>Semiannually</i>	Issue	Page
<b>Banking offices:</b>			
Analysis of changes in number of... On, and not on, Federal Reserve Par List, number of.....		Feb. 1953	181
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<b>Member banks:</b>			
Calendar year .....		May 1952	556-566
First half of year.....		Oct. 1952	1159
Banks and branches, number of, by class and State .....		May 1952	567-568
Operating ratios, member banks.....		Aug. 1952	937-939

**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period February 16, 1953 to March 15, 1953:

*Iowa*

West Liberty—West Liberty State Bank.

## OWNERSHIP OF DEMAND DEPOSITS

**Size of accounts.** Changes in the volume of business deposits held in various sizes of accounts were small in the year ending January 31, 1953, as in other recent years. The percentage increase was roughly the same in each size of account and thus there was little change in the proportion of the total held in each account size.

Among individuals, on the other hand, the amount of demand deposits held in the largest accounts (more than \$25,000) de-

clined in 1952, while there was an increase in the amount held in the smaller accounts (less than \$10,000). There was little change in accounts of intermediate size (\$10,000-\$25,000). The decline in the large accounts may have been due to a greater sensitivity of these accounts to the higher interest return available on investments and to a shift of funds from these demand accounts to securities or other forms of investment.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Publication of the Annual Report of the Board of Governors**

The Thirty-ninth Annual Report of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1952, is available for distribution. Copies may be obtained upon request from the Division of Administrative Services, Board of Governors, Washington 25, D. C.

**Federal Reserve Meetings**

The Conference of Chairmen of the Federal Reserve Banks met with the Board of Governors in Washington on April 28, 1953.

The Federal Advisory Council held a meeting in Washington on May 17-19, 1953, and met with the Board of Governors of the Federal Reserve System on May 19.

**Changes in Board's Staff and Organization**

Mr. David B. Hexter, formerly Associate Chief Counsel in the Office of the Comptroller of the Currency, was appointed Assistant General Counsel in the Board's Legal Division and assumed his duties on April 27, 1953. Mr. Hexter is a graduate of West Virginia University and the Harvard University Law School and had been with the Office of the Comptroller of the Currency since 1939.

Effective April 29, 1953, the Board of Governors authorized the discontinuance of the Office of the Solicitor and the personnel of that Office was transferred to the Legal Division. Mr. G. Howland Chase, who had been serving as Assistant Solicitor, was appointed to the position of Assistant General Counsel.

**Resignation of Mr. Gidney as President of the Federal Reserve Bank of Cleveland and the Appointment of Mr. Fulton as His Successor**

Effective as of the opening of business on April 16, 1953, Mr. Ray M. Gidney, who had been serving as President of the Federal Reserve Bank of Cleveland since November 1, 1944, resigned to accept appointment as Comptroller of the Currency. In 1917, after having been on the staff of the Federal Reserve Board for two and one-half years, Mr. Gidney joined the staff of the Federal Reserve Bank of New York, where he served in various official capacities, including Manager of the Buffalo Branch, Controller of Loans, Deputy Governor, and Assistant Federal Reserve Agent. He was serving as a Vice President of the Federal Reserve Bank of New York when he was appointed President of the Federal Reserve Bank of Cleveland.

Mr. W. D. Fulton, who had been serving as First Vice President of the Federal Reserve Bank of Cleveland since January 1, 1953, was appointed President to succeed Mr. Gidney. Following about ten years' experience in the commercial banking and accounting fields and with the Reconstruction Finance Corporation, Mr. Fulton joined the staff of the Federal Reserve Bank of Cleveland as an Examiner on May 1, 1933. He subsequently served as Chief Examiner and Assistant Vice President, and was serving as Vice President in charge of the Cincinnati Branch at the time of his appointment as First Vice President.

CURRENT EVENTS AND ANNOUNCEMENTS

Election of Class B Director

The Federal Reserve Bank of Boston on April 30, 1953, announced the election of Mr. Harry E. Umphrey, President, Aroostook Potato Growers, Inc., Presque Isle, Maine, as a Class B director of the Bank for the unexpired portion of the term ending December 31, 1955, to succeed Mr. Roy L. Patrick, deceased. Mr. Patrick was President of the Rock of Ages Corporation, Burlington, Vermont.

New BULLETIN Table

A new table, "Deposits and Other Dollar Assets Held at Federal Reserve Banks for Foreign Correspondents," is included (page 563) Table 9 of the statistical section "International Capital Transactions of the United States." This table brings together data that provide a more current picture of changes in the dollar reserves of foreign countries as a group, as reflected by the operations of the Federal Reserve Banks for foreign correspondents. These data also are useful for analyzing the effect of these operations on commercial bank reserves and the money market of the United States.

The new table shows deposits, securities, and miscellaneous assets of foreign central banks and governments (including the Bank for International Settlements) which are held at Federal Reserve Banks. It excludes assets belonging to the International Bank for Reconstruction and Development and the International Monetary Fund. It also excludes holdings of earmarked gold; these are shown as part of the table "Analysis of Changes in Gold Stock of United States," which appears under the general heading "International Financial Statistics" (page 565 of this issue).

One item in the table is the amount of United States Government securities held in custody by the Federal Reserve Banks for foreign correspondents, which the Federal Reserve System recently began to include as a memorandum item in the weekly press release on the Condition of the Federal Reserve Banks.

The statistics in the new table are supplementary to, but not directly comparable with, those appearing in other tables of the section "International Capital Transactions of the United States." The chief differences arise from the fact that the new table reflects only changes in Federal Reserve accounts, which are maintained for foreign central banks and governments but not for other foreign banks or individuals. Other tables

of this section reflect changes in all foreign dollar accounts, whether official or private and whether maintained at Federal Reserve Banks or at commercial banks. In addition, the new table includes any holdings of United States Government bonds and notes maturing in more than one year from their dates of issue, and, in the "miscellaneous" column, foreign and international bonds held by Federal Reserve Banks for foreign correspondents; these categories are excluded by definition from the reported "short-term" liabilities to foreigners appearing in Table 2 of the section.

The following table shows back figures for year-end dates comparable to the current data appearing in the tabular section:

DEPOSITS AND OTHER DOLLAR ASSETS HELD AT FEDERAL RESERVE BANKS FOR FOREIGN CORRESPONDENTS, 1945-52

[In millions of dollars]

End of year	Deposits	Assets in custody	
		U. S. Government securities	Miscellaneous
1945.....	861	1,654	21
1946.....	508	969	30
1947.....	392	187	25
1948.....	642	594	50
1949.....	767	669	70
1950.....	895	1,571	60
1951.....	526	1,383	80
1952.....	550	2,156	86

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Banks and branches, number of, by class and State.....	May 1953	548-549
Operating ratios, member banks.....	Aug. 1952	937-939

Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period March 16, 1953 to April 15, 1953:

Arkansas

Batesville—The Citizens Bank.

Iowa

Marshalltown—Security Savings Bank.

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*gress assembled*, That the second proviso contained in the ninth paragraph of section 10 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 522), is hereby further amended by striking

out "\$10,000,000" and inserting in lieu thereof "\$30,000,000".

Approved May 29, 1953.

CURRENT EVENTS AND ANNOUNCEMENTS

Federal Reserve Meetings

The Conference of Presidents of the Federal Reserve Banks met on June 8-9, 1953, and on June 11 the Conference met with the Board of Governors in Washington.

A meeting of the Federal Open Market Committee was held in Washington on June 11, 1953.

Revision of Bank Debits Series

When the revision of the bank debits series was announced in a statement for the press on January 7, 1953, it was contemplated that a new series of payments from Treasury accounts at Federal Reserve Banks, i. e., debits to United States Government accounts at Federal Reserve Banks, would be inaugurated. However, following a study of the various problems involved in the development of such a series, it has been concluded that it would largely duplicate the present monthly series prepared by the Treasury on cash operating outgo.

Cash operating outgo, as reported by the Treasury, does not measure exactly the volume of non-debt payments by the Government since, for example, expenditures by Government corporations are included on a net basis; that is, only the current difference between their operating revenues and expenditures is included. However, the Treasury series presents a sufficiently accurate indication of the volume of payments by the Government, excluding principal payments in connection with public debt operations.

The Treasury series is shown in the BULLETIN monthly in the section on Treasury Finance (see pages 628-633 of this issue, and see Federal Reserve BULLETIN for April 1953, pages 355-356, for description of bank debits series revision).

Appointment of Class C Director

On June 2, 1953, the Board of Governors announced the appointment of Mr. Franz Schneider, Executive Vice President, Newmont Mining Corporation, New York, New York, as a Class C director of the Federal Reserve Bank of New York for the term ending December 31, 1955. Mr. Schneider succeeded Mr. Philip Young who resigned to accept appointment as the Chairman of the Civil Service Commission. Mr. Young was Dean of the Graduate School of Business, Columbia University, New York, New York.

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Operating ratios, member banks.....	Aug. 1952	937-939

Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period April 16, 1953 to May 15, 1953:

Iowa

Greene—First State Bank.

LAW DEPARTMENT

maturity or prior to such time after a specified period of written notice, the maximum rate of interest will depend upon which of such withdrawal privileges is elected by the depositor and the rate applicable under the Regulation in the circumstances of the withdrawal privilege so elected.

For example, if a certificate provides for payment 5 years after date of issue with interest at a

rate of 2½ per cent, but also provides for earlier payment after 90 days' written notice with interest at a rate of 2 per cent, such a certificate complies with the requirements of Regulation Q. Similarly, such a five-year certificate providing for earlier withdrawal after 30 days' written notice with interest at a rate of one per cent would meet the requirements of the Regulation.

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Operating ratios, member banks.....	Aug. 1952	937-939

Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period May 16, 1953 to June 15, 1953:

*California*

Whittier—Bank of Whittier.



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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Changes in the Board's Organization

On August 1, 1953, the Board created in its staff for an indefinite period the Office of Controller as a separate division. The Office will have responsibility for the receipt and disbursement of the Board's funds and the administration of its budget. Mr. Edwin J. Johnson, formerly Assistant Director of the Division of Administrative Services, will head the new division as Controller.

Mr. Johnson has been associated with the Federal Reserve System since 1925 except for a period of military service and a short period of service with the Treasury Department. He was appointed to the Board's staff in January 1939 after having been a member of the staff of the Baltimore Branch of the Federal Reserve Bank of Richmond for approximately fourteen years.

### Revised Indexes of Department Store Sales and Stocks

Following a recent review of the factors used in adjusting the monthly indexes of department store sales and stocks for seasonal variation, the seasonally adjusted indexes have been revised for a number of months in recent years. The revised figures for the 13 months ending with June 1953 are given on page 895 of this BULLETIN. Data for earlier months may be obtained upon request from the Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington 25, D. C. It is planned to review these seasonal adjustment factors regularly in order that they may reflect current seasonal patterns in department store trade.

Concurrently with the review of seasonal factors, minor adjustments in the sample used in con-

structing the unadjusted indexes of department store sales and stocks resulted in some changes in these indexes. The revised data are available upon request from the Division of Research and Statistics.

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Operating ratios, member banks.....	Aug. 1953	904-906

### Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period June 16, 1953 to July 15, 1953:

#### *California*

Inglewood—The Southwest Bank.

#### *Missouri*

Rock Port—The Bank of Atchison County.

#### *Pennsylvania*

Philadelphia—Land Title Bank and Trust Company (Simultaneously with admission to membership this bank merged with Trademans National Bank and Trust Company, Philadelphia, Pennsylvania, under title of Trademans Land Title Bank and Trust Company.)

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

The Federal Advisory Council held a meeting in Washington on September 13-15, 1953, and met with the Board of Governors of the Federal Reserve System on September 15.

### Retirement of Mr. R. R. Gilbert as President of the Federal Reserve Bank of Dallas

Mr. R. R. Gilbert, who had been serving as President of the Federal Reserve Bank of Dallas since April 13, 1939, retired effective September 1, 1953. He had been associated with the Federal Reserve Bank of Dallas since its opening in 1914 and had served as an officer of the Bank since 1917. Prior to Mr. Gilbert's employment with the Reserve Bank, he had been engaged in commercial banking for nine years.

### Resignation of Class A Director

The Federal Reserve Bank of Boston accepted the resignation of Mr. Earle W. Stamm as a Class A director of the Bank, effective August 17, 1953. Mr. Stamm formerly was President of The National Bank of Commerce of New London, New London, Connecticut, and is now Senior Vice President of the Hartford National Bank and Trust Company, Hartford, Connecticut. He had served as a Class A director since October 15, 1947.

### Death of Director

Mr. Clement B. Chinn, Vice Chairman, The First National Bank of Miami, Miami, Florida, who had served as a director of the Jacksonville Branch of the Federal Reserve Bank of Atlanta since January 1, 1951, died on August 22, 1953.

### Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period July 16, 1953 to August 15, 1953:

### *California*

Greenfield—Greenfield State Bank.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on September 22 and 23, and on September 24 the Presidents met with the Board of Governors of the Federal Reserve System.

On September 24 a meeting of the Federal Open Market Committee was held.

### Historical Supplement to Monthly Chart Book on Bank Credit, Money Rates, and Business

The autumn edition of the historical supplement to the monthly Federal Reserve Chart Book on Bank Credit, Money Rates, and Business will be available for distribution late in October, on the terms indicated on page 1136. The format of the book and the charts included will be much the same as in the April 1953 edition. The charts will include the latest data available on October 5, 1953.

### Admission of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period August 16, 1953 to September 15, 1953:

#### *Iowa*

St. Ansgar—St. Ansgar Citizens State Bank.

#### *Michigan*

Dearborn—Bank of Dearborn.

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## LAW DEPARTMENT

*Administrative interpretations of banking laws, new regulations issued by the Board of Governors, and other similar material*

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### Common Trust Funds

#### Limitation Upon Aggregate Investments by Single Trust

The Board has been requested to interpret the following sentence of section 17(c)(5) of its Regulation F:

“No funds of any trust shall be invested in a participation in a Common Trust Fund if such investment would result in such trust having invested in the aggregate in the Common Trust Fund an amount in excess of 10 per cent of the value of the assets of the Common Trust Fund at the time of investment, as determined by the trust investment committee, or the sum of \$100,000 whichever is less.”

The specific question was whether (1) the actual amount previously invested in participations in the common trust fund *or* (2) the present market value of such participations, should determine the amount of additional investments, if any, which may be

made in such participations.

It is the Board's view that under this language of the regulation the additional amount which a trust may invest in a common trust fund is determined by the dollar amount which the trust actually invested in the participations which it now holds, rather than by the present market value of such participations. For example, if a total of \$75,000 was paid for units purchased for the trust on previous occasions, the amount which could now be invested would be \$25,000 (assuming that \$100,000 does not exceed 10 per cent of the present value of the assets of the common trust fund), regardless of the present market value of the units already held by the trust.

This interpretation supersedes the one published in the 1938 Federal Reserve BULLETIN at page 762 which was to the opposite effect, but was based on a provision of the regulation which was revised in 1945.

## CURRENT EVENTS AND ANNOUNCEMENTS

### Federal Reserve Meetings

The Federal Advisory Council held a meeting in Washington on November 15-17, 1953, and met with the Board of Governors of the Federal Reserve System on November 17.

### Deaths of Directors

Dr. J. Hillis Miller, President, University of Florida, Gainesville, Florida, who had been serving as a director of the Jacksonville Branch of the Federal Reserve Bank of Atlanta since August 16, 1948, died on November 14, 1953.

Mr. L. C. Hutson, Director, Chickasha Cotton Oil Company, Chickasha, Oklahoma, who had been serving as a Class B director of the Federal Reserve Bank of Kansas City since June 27, 1944, died on November 16, 1953.

### Revised Indexes of Department Store Sales and Stocks by Major Departments

The Board's monthly indexes of department store sales and stocks, by departments, have been revised for 1940 to date, the entire period covered by the series. A description of the revision, together

with indexes for recent months, appears on pages 1146-1151 of this BULLETIN. Back data for the period 1940-52 are included in a brochure that may be obtained upon request to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C. In addition to the departmental indexes the available data include departmental stocks-sales ratios and also the distribution of total sales in a calendar year by the departments as well as the distribution of each department's sales by the months of the year.

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## LAW DEPARTMENT

*Administrative interpretations of banking laws, new regulations issued by the  
Board of Governors, and other similar material*

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### Clayton Act Proceeding

#### Transamerica Corporation

On November 30, 1953, the Supreme Court of the United States denied the petition for certiorari to review the decision of the Court of Appeals for the Third Circuit which set aside the order entered by the Board of Governors in its proceeding against Transamerica Corporation under the Clayton Antitrust Act. In the circumstances, the Board of Governors has decided that no further action will be taken in this proceeding.

### Trust Powers of National Banks

#### Internal Audits and Reviews of Trust Department

The Board has been requested for an interpretation of the language contained in section 8 of Regu-

lation F that a committee of directors shall "at least once during each period of twelve months" make or have made an audit of the trust department of each national bank.

The specific question is whether this provision means that such audits must be made at intervals of not more than twelve months or may be made at least once during each calendar year.

The language "at least once during each period of twelve months" also appears in section 6(c) of Regulation F, relating to the review of trust assets by trust investment committees, and in section 17(c)(3) of Regulation F, relating to audits of common trust funds. It is the Board's opinion that the correct interpretation of this language in each instance is that not more than twelve months shall elapse without the required action being taken.

## CURRENT EVENTS AND ANNOUNCEMENTS

### Federal Reserve Meetings

A meeting of the Chairmen and Deputy Chairmen of the Federal Reserve Banks with the members of the Board of Governors was held in Washington on December 7-8, 1953.

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on December 14, 1953, and on December 15 the Presidents met with the Board of Governors of the Federal Reserve System.

On December 15 a meeting of the Federal Open Market Committee was held.

### Election of Class A Director

The Federal Reserve Bank of Boston on November 25, 1953, announced the election of Mr. Oliver B. Ellsworth, President and Trust Officer, Riverside Trust Company, Hartford, Connecticut, as a Class A director of the Bank for the unexpired portion of the term ending December 31, 1955, to succeed Mr. Earle W. Stamm, President, The National Bank of Commerce of New London, New London, Connecticut, who resigned.

### Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period October 16, 1953 to November 15, 1953.

*New York*

Cicero—Cicero State Bank.

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## CURRENT EVENTS AND ANNOUNCEMENTS

### Transfer of Federal Reserve Branch Territory

Effective January 1, 1954, the counties in Michigan which had been included in the Head Office territory of the Federal Reserve Bank of Chicago were transferred to the territory of its Detroit Branch. The Detroit Branch territory now consists of the entire lower peninsula of Michigan.

### Earnings and Expenses of the Federal Reserve Banks in 1953 and 1952

A condensed comparative statement of earnings and expenses of the Federal Reserve Banks in 1953 and 1952 is shown below. A detailed statement of earnings and expenses of each Federal Reserve Bank in 1953 will appear in the February Federal Reserve BULLETIN.

Item	Thousands of dollars	
	1953	1952
Current earnings.....	513,037	456,060
Current expenses.....	113,515	104,694
Current net earnings.....	399,522	351,366
Additions to current net earnings.....	12,096	12,195
Deductions from current net earnings.....	3,155	611
Net additions or deductions (-).....	-1,059	1,584
Net earnings before payments to U. S. Treasury.....	398,463	352,950
Paid U. S. Treasury (interest on F. R. notes).....	342,568	291,934
Dividends.....	15,558	14,682
Transferred to surplus (Sec. 7).....	40,337	46,334

<sup>1</sup>Includes net profits of \$1,952,000 in 1953 and \$1,992,000 in 1952 on sales of U. S. Government securities.

### Death of Director

Mr. W. F. Beall, President and General Manager, 3 Beall Brothers 3 Department Stores, Jacksonville, Texas, who had been serving as a Class B director of the Federal Reserve Bank of Dallas since April 23, 1946, died on December 25, 1953.

### Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period November 16, 1953 to December 15, 1953:

#### California

Long Beach—Bank of Belmont Shore.  
Los Angeles—Bank of Encino (Encino).

#### West Virginia

Huntington—Huntington Trust & Savings Bank.

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### Appointments of Chairmen, Deputy Chairmen, and Directors

The following designations and appointments at the Federal Reserve Banks and branches have been made by the Board of Governors of the Federal Reserve System:

#### Federal Reserve Bank

#### Name of Appointee

#### CHAIRMEN AND FEDERAL RESERVE AGENTS FOR YEAR 1954

Boston .....	Harold D. Hodgkinson of Boston, Massachusetts
New York .....	Jay E. Crane of Orange, New Jersey
Philadelphia .....	William J. Meinel of Philadelphia, Pennsylvania

## CURRENT EVENTS AND ANNOUNCEMENTS

<i>Federal Reserve Bank</i>	<i>Name of Appointee</i>
Cleveland .....	John C. Virden of Shaker Heights, Ohio
Richmond .....	*John B. Woodward, Jr., of Newport News, Virginia
Atlanta .....	*Rufus C. Harris of New Orleans, Louisiana
Chicago .....	John S. Coleman of Detroit, Michigan
St. Louis .....	*M. Moss Alexander of St. Louis, Missouri
Minneapolis .....	*Paul E. Miller of St. Paul, Minnesota
Kansas City .....	Raymond W. Hall of Kansas City, Missouri
Dallas .....	J. R. Parten of Houston, Texas
San Francisco .....	*A. H. Brawner of San Mateo, California

## DEPUTY CHAIRMEN FOR YEAR 1954

Boston .....	Ames Stevens of North Andover, Massachusetts
New York .....	William I. Myers of Ithaca, New York
Philadelphia .....	*Henderson Supplee, Jr., of Radnor, Pennsylvania
Cleveland .....	Leo L. Rummell of Columbus, Ohio
Richmond .....	*W. G. Wysor of Richmond, Virginia
Atlanta .....	*Paul E. Reinhold of Jacksonville, Florida
Chicago .....	Bert R. Prall of Winnetka, Illinois
St. Louis .....	*Caffey Robertson of Memphis, Tennessee
Minneapolis .....	*Leslie N. Perrin of Minneapolis, Minnesota
Kansas City .....	Cecil Puckett of Denver, Colorado
Dallas .....	Robert J. Smith of Dallas, Texas
San Francisco .....	*Y. Frank Freeman of Beverly Hills, California

## FEDERAL RESERVE BANK DIRECTORS†

(Appointed by the Board of Governors for three-year terms beginning January 1, 1954)

Boston .....	Karl T. Compton of Cambridge, Massachusetts
New York .....	Jay E. Crane of Orange, New Jersey
Philadelphia .....	*Lester V. Chandler of Princeton, New Jersey
Cleveland .....	John C. Virden of Shaker Heights, Ohio
Richmond .....	*Alonzo G. Decker, Jr., of Towson, Maryland
Atlanta .....	*Harlee Branch, Jr., of Atlanta, Georgia
St. Louis .....	*†Caffey Robertson of Memphis, Tennessee
St. Louis .....	*M. Moss Alexander of St. Louis, Missouri
Minneapolis .....	*Leslie N. Perrin of Minneapolis, Minnesota
Kansas City .....	Cecil Puckett of Denver, Colorado
Dallas .....	Hal Bogle of Dexter, New Mexico
San Francisco .....	*†Y. Frank Freeman of Beverly Hills, California
San Francisco .....	*A. H. Brawner of San Mateo, California

† Each Federal Reserve Bank has a Board of Directors consisting of nine members, divided into three classes, designated as Classes A, B, and C. The six A and B directors are elected by the member banks, and the three C directors are appointed by the Board of Governors. The terms of two of the elected directors and one of the appointed directors expire at the end of each year.

‡ Indicates appointment for unexpired portion of term.

\* Indicates position filled by a new incumbent.

## CURRENT EVENTS AND ANNOUNCEMENTS

<i>Federal Reserve Bank and Branch</i>	<i>Name of Appointee</i>
FEDERAL RESERVE BANK BRANCH DIRECTORS††	
<i>New York</i>	
Buffalo . . . . .	Robert C. Tait of Pittsford, New York
<i>Cleveland</i>	
Cincinnati . . . . .	*Anthony Haswell of Dayton, Ohio
Pittsburgh . . . . .	Henry A. Roemer, Jr., of Sharon, Pennsylvania
<i>Richmond</i>	
Baltimore . . . . .	*†Clarence R. Zarfoss of Baltimore, Maryland
<i>Atlanta</i>	
Birmingham . . . . .	*Adolph Weil, Sr., of Montgomery, Alabama
Nashville . . . . .	*Frank B. Ward of Knoxville, Tennessee
New Orleans . . . . .	*Everett E. Wild of Midland, Louisiana
<i>Chicago</i>	
Detroit . . . . .	#William M. Day of Grosse Pointe, Michigan
<i>St. Louis</i>	
Little Rock . . . . .	Sam B. Strauss of Little Rock, Arkansas
Louisville . . . . .	*David F. Cocks of Louisville, Kentucky
Memphis . . . . .	*†A. E. Hohenberg of Memphis, Tennessee
Memphis . . . . .	*John D. Williams of University, Mississippi
<i>Minneapolis</i>	
Helena . . . . .	#G. R. Milburn of Grass Range, Montana
Helena . . . . .	†*#Carl McFarland of Missoula, Montana
<i>Kansas City</i>	
Denver . . . . .	#Aksel Nielsen of Denver, Colorado
Oklahoma City . . . . .	*#Davis D. Bovaird of Tulsa, Oklahoma
Omaha . . . . .	*#Gilbert C. Swanson of Omaha, Nebraska
<i>Dallas</i>	
El Paso . . . . .	D. F. Stahmann of Las Cruces, New Mexico
Houston . . . . .	Herbert G. Sutton of Colmesneil, Texas
<i>San Francisco</i>	
Los Angeles . . . . .	#Paul H. Helms of Los Angeles, California
Portland . . . . .	*#Philip I. Welk of Walla Walla, Washington
Salt Lake City . . . . .	#Joseph Rosenblatt of Salt Lake City, Utah
Seattle . . . . .	#D. K. MacDonald of Bellevue, Washington

†† Federal Reserve Bank branches have either five or seven directors, of whom a majority are appointed by the board of directors of the parent Federal Reserve Bank and the others are appointed by the Board of Governors of the Federal Reserve System. One of the directors appointed by the Board of Governors at each branch is designated annually as Chairman of the Board in such manner as the Federal Reserve Bank may prescribe.

# Indicates appointment for two-year term beginning January 1, 1954. All other appointments are for three-year terms.

† Indicates appointment for unexpired portion of term.

\* Indicates position filled by a new incumbent.



## CURRENT EVENTS AND ANNOUNCEMENTS

The new appointees are as follows:

**Federal Reserve Bank of Philadelphia**

Mr. Henderson Supplee, Jr., of Radnor, Pennsylvania, who has been serving as a Board-appointed director of the Federal Reserve Bank of Philadelphia since January 1, 1953, was appointed Deputy Chairman for the year 1954. Mr. Supplee is President of the Atlantic Refining Company, Philadelphia, Pennsylvania. As Deputy Chairman, Mr. Supplee succeeded Mr. C. Canby Balderston, Dean, Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, Pennsylvania, whose term as a director expired December 31, 1953.

Mr. Lester V. Chandler of Princeton, New Jersey, was appointed a director of the Federal Reserve Bank of Philadelphia for a three-year term beginning January 1, 1954. Mr. Chandler is the Gordon S. Rentschler Professor of Economics, Princeton University, Princeton, New Jersey. He succeeded Mr. C. Canby Balderston, whose term as a director expired December 31, 1953.

**Federal Reserve Bank of Cleveland**

Mr. Anthony Haswell of Dayton, Ohio, was appointed a director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland for a three-year term beginning January 1, 1954. Mr. Haswell is President of the Dayton Malleable Iron Company, Dayton, Ohio. He succeeded Mr. Granville R. Lohnes, Treasurer, National Cash Register Company, Dayton, Ohio, whose term expired December 31, 1953.

**Federal Reserve Bank of Richmond**

Mr. John B. Woodward, Jr., of Newport News, Virginia, who has been serving as a Board-appointed director of the Federal Reserve Bank of Richmond and Deputy Chairman since January 1, 1949, was designated Chairman and Federal Reserve Agent for the year 1954. Mr. Woodward is President of the Newport News Shipbuilding & Dry Dock Company, Newport News, Virginia. As Chairman and Federal Reserve Agent, Mr. Woodward succeeded Mr. Charles P. McCormick, President and Chairman of Board, McCormick & Company, Inc., Baltimore, Maryland, whose term as a director expired December 31, 1953.

Mr. W. G. Wysor of Richmond, Virginia, who has been serving as a Board-appointed director of the Federal Reserve Bank of Richmond since January 8, 1937, was appointed Deputy Chairman for the year 1954. Mr. Wysor is Management Counsel of the Southern States Cooperative, Inc., Richmond, Virginia. As Deputy Chairman, Mr. Wysor succeeded Mr. John B. Woodward, Jr., who was designated Chairman and Federal Reserve Agent. Mr. Wysor formerly served as Deputy Chairman from January 1, 1938, through December 31, 1946, and as Chairman and Federal Reserve Agent from January 1, 1947, through December 31, 1948.

Mr. Alonzo G. Decker, Jr., of Towson, Maryland, who had been serving as a Board-appointed director of the Baltimore Branch of the Federal Reserve Bank of Richmond since January 1, 1952, was appointed a director of the Federal Reserve Bank of Richmond for a three-year term beginning January 1, 1954. Mr. Decker is Vice President of The Black and Decker Manufacturing Company, Towson, Maryland. He succeeded Mr. Charles P. McCormick whose term as a director expired December 31, 1953.

Mr. Clarence R. Zarfoss of Baltimore, Maryland, was appointed a director of the Baltimore Branch of the Federal Reserve Bank of Richmond for the unexpired portion of the term ending December 31, 1954. Mr. Zarfoss is Vice President of the Western Maryland Railway Company, Baltimore, Maryland. He succeeded Mr. Alonzo G. Decker, Jr., who was appointed a director of the Federal Reserve Bank of Richmond.

**Federal Reserve Bank of Atlanta**

Mr. Rufus C. Harris of New Orleans, Louisiana, who has been serving as a Board-appointed director of the Federal Reserve Bank of Atlanta since January 28, 1938, and Deputy Chairman since January 1, 1949, was designated Chairman and Federal Reserve Agent for the year 1954. Mr. Harris is President of the Tulane University of Louisiana, New Orleans, Louisiana. As Chairman and Federal Reserve Agent, Mr. Harris succeeded Mr. Frank H. Neely, Chairman of the Board, Rich's, Incorporated, Atlanta, Georgia, whose term as a director expired December 31, 1953.

## CURRENT EVENTS AND ANNOUNCEMENTS

Mr. Paul E. Reinhold of Jacksonville, Florida, who has been serving as a Board-appointed director of the Federal Reserve Bank of Atlanta since January 1, 1949, was appointed Deputy Chairman for the year 1954. Mr. Reinhold is Chairman of the Board of Foremost Dairies, Inc., Jacksonville, Florida. As Deputy Chairman, Mr. Reinhold succeeded Mr. Rufus C. Harris, who was designated Chairman and Federal Reserve Agent.

Mr. Harllee Branch, Jr., of Atlanta, Georgia, was appointed a director of the Federal Reserve Bank of Atlanta for a three-year term beginning January 1, 1954. Mr. Branch is President of the Georgia Power Company, Atlanta, Georgia. He succeeded Mr. Frank H. Neely, whose term expired December 31, 1953.

Mr. Adolph Weil, Sr., of Montgomery, Alabama, was appointed a director of the Birmingham Branch of the Federal Reserve Bank of Atlanta for a three-year term beginning January 1, 1954. Mr. Weil is President of Weil Brothers-Cotton, Inc., Montgomery, Alabama. He succeeded Mr. John M. Gallalee, President Emeritus, University of Alabama, Tuscaloosa, Alabama, whose term expired December 31, 1953.

Mr. Frank B. Ward, of Knoxville, Tennessee, was appointed a director of the Nashville Branch of the Federal Reserve Bank of Atlanta for a three-year term beginning January 1, 1954. Mr. Ward is Dean of the College of Business Administration, University of Tennessee, Knoxville, Tennessee. He succeeded Mr. C. E. Brehm, President, University of Tennessee, Knoxville, Tennessee, whose term expired December 31, 1953.

Mr. Everett E. Wild of Midland, Louisiana, was appointed a director of the New Orleans Branch of the Federal Reserve Bank of Atlanta for a three-year term beginning January 1, 1954. Mr. Wild is engaged in rice farming. He succeeded Mr. H. G. Chalkley, Jr., President, Sweet Lake Land & Oil Company, Lake Charles, Louisiana, whose term expired December 31, 1953.

**Federal Reserve Bank of St. Louis**

Mr. M. Moss Alexander of St. Louis, Missouri, who had been serving since January 1, 1949, as a director elected by the member banks, was appointed a director of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1954, and was designated Chairman and Federal Reserve Agent for the year 1954. Mr. Alexander is President of the Missouri-Portland Cement Company, St. Louis, Missouri. As a director, Mr. Alexander succeeded Mr. Wm. H. Bryce, Chairman of the Board, Dixie Wax Paper Company, Memphis, Tennessee, whose term expired December 31, 1953, and as Chairman and Federal Reserve Agent, he succeeded Mr. Russell L. Dearmont, Chief Counsel for Trustee, Missouri-Pacific Lines, St. Louis, Missouri, who resigned as a director effective December 31, 1953.

Mr. Caffey Robertson of Memphis, Tennessee, who had been serving as a Board-appointed director of the Memphis Branch of the Federal Reserve Bank of St. Louis since January 1, 1952, was appointed a director of the Federal Reserve Bank of St. Louis, for the unexpired portion of the term ending December 31, 1955, and Deputy Chairman for the year 1954. Mr. Robertson is President of the Caffey Robertson Company, Memphis, Tennessee. As a director, Mr. Robertson succeeded Mr. Russell L. Dearmont, who resigned as a director, effective December 31, 1953, and as Deputy Chairman, he succeeded Mr. Wm. H. Bryce, whose term as a director expired December 31, 1953.

Mr. David F. Cocks of Louisville, Kentucky, was appointed a director of the Louisville Branch of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1954. Mr. Cocks is Vice President and Treasurer of the Standard Oil Company (Kentucky), Louisville, Kentucky. He succeeded Mr. Alvin A. Voit, President, Mengel Company, Louisville, Kentucky, whose term expired December 31, 1953.

Mr. A. E. Hohenberg of Memphis, Tennessee, was appointed a director of the Memphis Branch of the Federal Reserve Bank of St. Louis for the unexpired portion of the term ending December 31, 1954. Mr. Hohenberg is President of Hohenberg Bros. Company, Inc., Memphis, Tennessee. He succeeded Mr. Caffey Robertson, who was appointed a director of the Federal Reserve Bank of St. Louis.

Mr. John D. Williams of University, Mississippi, was appointed a director of the Memphis Branch of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1954. Mr. Williams

## CURRENT EVENTS AND ANNOUNCEMENTS

is Chancellor of the University of Mississippi, University, Mississippi. He succeeded Mr. M. P. Moore, owner of Circle M Ranch, Senatobia, Mississippi, whose term expired December 31, 1953.

**Federal Reserve Bank of Minneapolis**

Mr. Paul E. Miller of St. Paul, Minnesota, who has been serving as a Board-appointed director of the Federal Reserve Bank of Minneapolis since January 1, 1946, and Deputy Chairman since December 27, 1951, was designated Chairman and Federal Reserve Agent for the year 1954. Mr. Miller is the Director of the University of Minnesota Agricultural Extension Division, St. Paul, Minnesota. As Chairman and Federal Reserve Agent, Mr. Miller succeeded Mr. Roger B. Shepard of St. Paul, Minnesota, whose term as a director expired December 31, 1953.

Mr. Leslie N. Perrin of Minneapolis, Minnesota, was appointed a director of the Federal Reserve Bank of Minneapolis for a three-year term beginning January 1, 1954, and Deputy Chairman for the year 1954. Mr. Perrin is a Director of General Mills, Inc., Minneapolis, Minnesota. As a director, Mr. Perrin succeeded Mr. Roger B. Shepard, whose term as a director expired December 31, 1953, and as Deputy Chairman, he succeeded Mr. Paul E. Miller, who was designated Chairman and Federal Reserve Agent.

Mr. Carl McFarland of Missoula, Montana, was appointed a director of the Helena Branch of the Federal Reserve Bank of Minneapolis for the unexpired portion of the term ending December 31, 1954. Mr. McFarland is President of Montana State University, Missoula, Montana. He succeeded Mr. John E. Corette, President and General Manager, Montana Power Company, Butte, Montana, who was elected by the member banks of the District as a director of the Federal Reserve Bank of Minneapolis.

**Federal Reserve Bank of Kansas City**

Mr. Davis D. Bovaird of Tulsa, Oklahoma, was appointed a director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City for a two-year term beginning January 1, 1954. Mr. Bovaird is President of the Bovaird Supply Company, Tulsa, Oklahoma. He succeeded Mr. Cecil W. Cotton, President, C. W. Cotton Supply Company, Tulsa, Oklahoma, whose term expired December 31, 1953.

Mr. Gilbert C. Swanson of Omaha, Nebraska, was appointed a director of the Omaha Branch of the Federal Reserve Bank of Kansas City for a two-year term beginning January 1, 1954. Mr. Swanson is President of C. A. Swanson and Sons, Omaha, Nebraska. He succeeded Mr. Joe W. Seacrest, President, State Journal Company, Lincoln, Nebraska, whose term expired December 31, 1953.

**Federal Reserve Bank of San Francisco**

Mr. A. H. Brawner of San Mateo, California, was appointed a director of the Federal Reserve Bank of San Francisco for a three-year term beginning January 1, 1954, and was designated Chairman and Federal Reserve Agent for the year 1954. Mr. Brawner is President of W. P. Fuller & Company, San Francisco, California. As a director, Mr. Brawner succeeded Mr. William R. Wallace, Jr., a member of the firm of Wallace, Garrison, Norton & Ray, Attorneys at Law, San Francisco, California, whose term as a director expired December 31, 1953, and as Chairman and Federal Reserve Agent, he succeeded Mr. Brayton Wilbur, President, Wilbur-Ellis Company, San Francisco, California, who resigned as a director effective December 31, 1953.

Mr. Y. Frank Freeman of Beverly Hills, California, was appointed a director of the Federal Reserve Bank of San Francisco for the unexpired portion of the term ending December 31, 1955, and Deputy Chairman for the year 1954. Mr. Freeman is Vice President of Paramount Pictures, Inc., Hollywood, California. As a director, Mr. Freeman succeeded Mr. Brayton Wilbur, who resigned effective December 31, 1953, and as Deputy Chairman, he succeeded Mr. William R. Wallace, Jr., whose term as a director expired December 31, 1953. Mr. Freeman formerly served as a Board-appointed director of the Los Angeles Branch of the Federal Reserve Bank of San Francisco from November 20, 1942 through December 31, 1949.

Mr. Philip I. Welk of Walla Walla, Washington, was appointed a director of the Portland Branch of the Federal Reserve Bank of San Francisco for a two-year term beginning January 1, 1954. Mr. Welk is Vice President of the Preston-Shaffer Milling Company, Walla Walla, Washington. He succeeded Mr. Aaron M. Frank, President, Meier & Frank Company, Inc., Portland, Oregon, whose term expired December 31, 1953.

## CURRENT EVENTS AND ANNOUNCEMENTS

### Historical Supplement to the Monthly Federal Reserve Chart Book

The spring issue of the historical supplement to the monthly Federal Reserve Chart Book on Bank Credit, Money Rates, and Business has been discontinued. The supplement will be published annually, in the autumn, beginning with September 1954.

### National Summary of Business Conditions

The release of the National Summary of Business Conditions and the accompanying Business Indexes table has been advanced from an end-of-month to a middle-of-the-month schedule, beginning with the February issue. The advance in release date has been made possible by completion of the transition to the revised production index and by the earlier availability of some preliminary data.

The National Summary released in mid-February and the one released on February 1 are published on pages 145-146 and 147-148, respectively, of this BULLETIN.

### Appointments of Branch Directors

On January 21, 1954, the Board of Governors announced the appointment of Mr. William H. Grier, Executive Vice President and General Manager, Rock Hill Printing and Finishing Company, Rock Hill, South Carolina, as a director of the Charlotte Branch of the Federal Reserve Bank of Richmond for the term ending December 31, 1956. Mr. Grier succeeded Mr. R. E. Ebert, President, Dixie Home Stores, Inc., Greenville, South Carolina, whose term expired.

On January 26, 1954, the Board of Governors announced the appointment of Mr. J. Wayne Reitz, Provost for Agriculture, University of Florida, Gainesville, Florida, as a director of the Jacksonville Branch of the Federal Reserve Bank of Atlanta for the term ending December 31, 1954. Mr. Reitz succeeded Mr. J. Hillis Miller, President, University of Florida, Gainesville, Florida, deceased.

On January 26, 1954, the Board of Governors of the Federal Reserve System also announced the appointment of Mr. McGregor Smith, President and General Manager, Florida Power and Light Company, Miami, Florida, as a director of the

Jacksonville Branch of the Federal Reserve Bank of Atlanta for the term ending December 31, 1956. Mr. Smith succeeded Mr. Marshall F. Howell, Vice President, Bond-Howell Lumber Company, Jacksonville, Florida, whose term expired.

### Resignation of Class A Director

The Federal Reserve Bank of Kansas City on January 28, 1954, accepted the resignation of Mr. T. A. Dines, Chairman of the Board, The United States National Bank of Denver, Denver, Colorado, as a Class A director of the Bank. Mr. Dines had been serving as a Class A director since February 14, 1939, and formerly served as a director of the Denver Branch from January 1, 1936, to March 16, 1939.

### Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period December 16, 1953 to January 15, 1954:

#### *California*

Long Beach—Farmers and Merchants Bank of East Long Beach.

#### *Florida*

Fort Lauderdale—American Bank.

#### *Iowa*

Titonka—Titonka Savings Bank.

#### *Michigan*

Kent City—Kent City State Bank.

Roscommon—The Roscommon State Bank.

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### Federal Reserve Meetings

The Federal Advisory Council met in Washington on February 14-16, 1954. The annual organization meeting of the Council was held on February 14, at which Edward E. Brown, Chairman of the First National Bank of Chicago, was reelected President; Robert V. Fleming, President and Chairman of The Riggs National Bank, was reelected Vice President; and Herbert V. Prochnow was reappointed Secretary. The Council met with the Board of Governors of the Federal Reserve System on February 16.

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on March 1 and 2, and on March 3 the Presidents met with the Board of Governors.

On March 3 a meeting of the Federal Open Market Committee was held, at which William McC. Martin, Jr., was reelected Chairman and Allan Sproul, Vice Chairman. The representative members of the Committee elected by the Federal Reserve Banks for the period of one year beginning March 1, 1954, are Allan Sproul, Alfred H. Williams, C. S. Young, and H. G. Leedy, Presidents of the Federal Reserve Banks of New York, Philadelphia, Chicago, and Kansas City, respectively.

### Change in Board's Staff

On February 16 the Board designated Charles Molony and Clarke L. Fauver as Special Assistants to the Board.

### Appointment of Mr. Watrous H. Irons as President of the Federal Reserve Bank of Dallas

Mr. Watrous H. Irons, who had been serving as Vice President of the Federal Reserve Bank of Dallas since April 19, 1946, was appointed President, effective February 15, 1954. Mr. Irons became associated with the Federal Reserve Bank of Dallas as Director of Research on July 1, 1945, prior to which he had been serving for about eight years as Professor of Banking and Finance at the University of Texas. As President of the Federal Reserve Bank of Dallas, Mr. Irons succeeded Mr. R. R. Gilbert who retired effective September 1, 1953.

### Election of Class B Directors

The Federal Reserve Bank of Kansas City on March 11, 1954, announced the election of Mr. K. S. Adams, Chairman of the Board, Phillips Petroleum Company, Bartlesville, Oklahoma, as a Class B director of the Bank for the term ending December 31, 1956, to succeed Mr. L. C. Hutson, deceased. Mr. Hutson was a director of the Chickasha Cotton Oil Company, Chickasha, Oklahoma.

The Federal Reserve Bank of Dallas on March 16, 1954, announced the election of John R. Alford, Industrialist and Farmer, Henderson, Texas, as a Class B director of the Bank for the term ending December 31, 1956, to succeed Mr. W. F. Beall, deceased. Mr. Beall was President and General Manager, 3 Beall Brothers 3, Department Stores, Jacksonville, Texas.

### Appointment of Branch Directors

On February 23, 1954, the Board of Governors announced the appointment of Mr. Clarence E. Ayres, Professor of Economics, The University of Texas, Austin, Texas, as a director of the San Antonio Branch of the Federal Reserve Bank of Dallas for the term ending December 31, 1956. Mr. Ayres succeeded Mr. Edward E. Hale, Chairman of the Department and Professor of Economics, The University of Texas, Austin, Texas, whose term expired.

On March 11, 1954, the Federal Reserve Bank of Chicago appointed Mr. Ira A. Moore, President, Peoples National Bank of Grand Rapids, Grand Rapids, Michigan, as a director of the Detroit Branch for the term ending December 31, 1956. Mr. Moore's appointment was occasioned by the recent change in the bylaws of the Detroit Branch providing for an increase from five to seven in the number of directors on the Board of Directors.

### Deaths of Directors

Mr. Ray M. Keck, President, Stockmens National Bank, Cotulla, Texas, who had served as a director of the San Antonio Branch of the Federal Reserve Bank of Dallas since January 1, 1953, died on February 18, 1954.

Mr. C. W. Burges, Vice President and Cashier,

CURRENT EVENTS AND ANNOUNCEMENTS

Security National Bank, Edgeley, North Dakota, who had served as a Class A director of the Federal Reserve Bank of Minneapolis since January 1, 1949, died on February 28, 1954.

**Admissions of State Banks to Membership in the Federal Reserve System**

The following State banks were admitted to membership in the Federal Reserve System during the period January 16, 1954 to February 15, 1954:

*California*

Los Angeles—Occidental Savings & Commercial Bank (North Hollywood).

*Nevada*

Las Vegas—Bank of Las Vegas.

*New York*

Alden—Alden State Bank.

*Texas*

Kountze—Peoples State Bank of Kountze.

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**REVISED EDITION OF BOOK ON FEDERAL RESERVE SYSTEM**

A second complete revision of *The Federal Reserve System—Its Purposes and Functions* will be available for distribution by the Board of Governors about mid-April. The period formerly covered by the text has been extended into 1953, and new material on credit markets, interest rates, and reserve banking influence on economic stability has been included.

The new edition, like the first edition in 1939 and the revised edition in 1947, is intended to provide a better public understanding of the organization and range of operations of the Federal Reserve System, of its trusteeship for the nation's credit and monetary machinery, and of its function in helping to further stable economic progress. The text has been written primarily for students, bankers, businessmen, and others who need a broad statement of the services rendered by the Federal Reserve System to the economy of the United States, and does not purport to be an exhaustive account of Federal Reserve activities.

The book is being made available without charge. Requests for delivery upon publication should be addressed to the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

GOLD REDEMPTION BILL

But there is no danger, present or prospective, that this measure would avert. I cannot see how the universal confidence that exists today would be enhanced by this measure at this time. Under these circumstances, it seems to me that it is not worth while to take the risks.

I need not assure you that the Federal Reserve System will continue to do all that it can to minimize inflationary pressures on the upside and deflationary pressures on the downside. That is the goal we all seek.

It seems to me that you have to decide whether you want S. 2332 before you can decide whether you also want the bills numbered S. 13 and S. 2364 which contemplate the holding of gold for the public and the establishment of a free gold market in the United States. The other measure before you, S. 2514, in effect proposes the reintroduction of the bimetallic standard. I can discover nothing in the history of our experience with national bimetallism to justify the adoption of such a measure.

CURRENT EVENTS AND ANNOUNCEMENTS

Appointment of Branch Directors

On March 11, 1954, the Federal Reserve Bank of Dallas appointed Mr. Burton Dunn, President, Corpus Christi National Bank, Corpus Christi, Texas, as a director of the San Antonio Branch for the term ending December 31, 1955. Mr. Dunn succeeded Mr. Ray M. Keck, President, Stockmens National Bank, Cotulla, Texas, deceased.

On April 1, 1954, the Board of Governors announced the appointment of Mr. Watson H. Vanderploeg, President, Kellogg Company, Battle Creek, Michigan, as a director of the Detroit Branch of the Federal Reserve Bank of Chicago for the term ending December 31, 1956. Mr. Vanderploeg's appointment was occasioned by a change in the bylaws of the Detroit Branch providing for an increase from five to seven in the number of directors on the Board of Directors.

Election of Class B Director

The Federal Reserve Bank of St. Louis on March 18, 1954, announced the election of Mr. Leo J.

Wieck, Vice President and Treasurer, The May Department Stores Company, St. Louis, Missouri, as a Class B director of the Bank for the term ending December 31, 1954. Mr. Wieck succeeded Mr. M. Moss Alexander, President, Missouri-Portland Cement Company, St. Louis, Missouri, who was appointed by the Board of Governors as a Class C director and Chairman and Federal Reserve Agent of the Federal Reserve Bank of St. Louis, effective January 1, 1954.

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savings deposit unless "evidenced by a passbook." These amendments to the regulations recognized that a workable distinction between savings accounts and checking accounts could not be maintained unless the regulatory language was such as to prevent various arrangements which would eliminate the use of passbooks of the kind traditionally a distinguishing mark of savings deposits.

The "savings account card" under consideration appears to differ materially from a passbook as it is generally understood and, accordingly, the Board does not regard such a card as constituting a "passbook" within the meaning of section 1(e) of Regulation Q. Therefore, the accounts as proposed under the plan would not be eligible for classification as "savings deposits."

CURRENT EVENTS AND ANNOUNCEMENTS

Federal Reserve Meetings

The Federal Advisory Council held a meeting in Washington on May 16-18, 1954, and met with the Board of Governors of the Federal Reserve System on May 18.

Election of Class A Directors

The Federal Reserve Bank of Kansas City on May 4, 1954, announced the election of Mr. Harold Kountze, President, The Colorado National Bank of Denver, Denver, Colorado, as a Class A director of the Bank for the term ending December 31, 1954. He succeeded Mr. T. A. Dines who resigned. At the time of Mr. Dines' resignation, he was Chairman of the Board, The United States National Bank of Denver, Denver, Colorado. Mr. Kountze formerly served as a director of the Denver Branch of the Federal Reserve Bank of Kansas City from September 24, 1925 through December 31, 1936, and from December 21, 1939 through December 31, 1946.

The Federal Reserve Bank of Minneapolis on May 11, 1954, announced the election of Mr. John W. Scott, President, The First State Bank of Gilby, Gilby, North Dakota, as a Class A director of the Bank for the term ending December 31, 1954, to succeed Mr. C. W. Burges, deceased. Mr. Burges was Vice President and Cashier of the Security National Bank, Edgeley, North Dakota.

Deaths of Directors

Mr. W. M. Jenkins, President, First National Bank of Everett, Everett, Washington, who had served as a director of the Seattle Branch of the Federal Reserve Bank of San Francisco since January 1, 1953, died on May 2, 1954.

Mr. Montfort Jones, Professor of Finance, The University of Pittsburgh, Pittsburgh, Pennsylvania, who had served as a director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland since January 1, 1949, died on May 17, 1954.

Data for Historical Supplement to the Monthly Federal Reserve Chart Book

A mimeographed set of data is available for the October 1953 edition of the historical supplement, providing figures for charts for the period October 5, 1953-April 16, 1954. Copies may be obtained upon request from the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period March 16, 1954 to April 15, 1954:

Virginia

Berryville—Bank of Clarke County.

Admission of National Bank in Alaska to Membership in the Federal Reserve System

On April 15, 1954, the City National Bank of Anchorage, Anchorage, Alaska, was admitted to membership in the Federal Reserve System.

Under the provisions of Section 19 of the Federal Reserve Act, national banks in Alaska, dependencies, and insular possessions, may be non-member banks or, with the consent of the Board of Governors of the Federal Reserve System, become member banks.

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procedure has been followed for the past year or more. A memorandum in the credit files of the national bank dated February 9, 1953, mentions that, under the new arrangement just described, the balance in the Life Insurance Company's account with the bank "will be allowed to build up; and for this reason . . . it has been agreed that we will continue to charge the [Mortgage Company] . . . an interest rate of  $4\frac{1}{4}$  per cent, but that twice each year—probably July and in January—we will compute the increase in average balance maintained with us by the [Life Insurance Company] and adjust the interest rate paid by the [Mortgage Company] . . . by making rebate to the latter." A notation in the national bank's credit files dated August 3, 1953, refers to the memorandum just quoted and reiterates that the bank had "agreed to make to the [Mortgage Company] . . . a  $\frac{1}{2}$  of 1 per cent interest adjustment upon net loanable funds derived from additional balances placed with us by the . . . Life Insurance Company." This notation, which is followed by a computation by which the national bank ascertained that the average "Additional Loanable Funds" in the Life Insurance Company's account during the first six months of 1953 amounted to \$82,930.67, also stated that "Based upon the above, adjustment of  $\frac{1}{2}$  of 1 per cent for the six-month period would amount to \$207.33, which amount was remitted to the [Mortgage Company] . . . August 11, 1953." The

information submitted also showed that in all probability the "refund" for the last six months of 1953 would exceed the amount for the first six months in that year. Although the national bank makes the payment to the Mortgage Company, the Life Insurance Company benefits from the arrangement to the extent that it permits the Mortgage Company, which is producing real estate loans on behalf of the Life Insurance Company, "to continue to function profitably and obtain the required bank credit."

Summarizing the foregoing facts, it appears that the national bank, in consideration of the Life Insurance Company's maintaining an increased demand deposit balance with the bank, has paid to the Mortgage Company  $\frac{1}{2}$  per cent per annum of the average "Additional Loanable Funds" so maintained on deposit by the Life Insurance Company. In August 1953 such payment was made by the national bank through an actual remittance to the Mortgage Company.

Based on these facts, the Board of Governors expressed the view that the arrangement involves a payment by the national bank for the account of its depositor, the Life Insurance Company, as compensation for the use of funds constituting a demand deposit, and therefore constitutes the payment of interest on a demand deposit by a member bank in violation of section 19 of the Federal Reserve Act and section 2(a) of Regulation Q.

## CURRENT EVENTS AND ANNOUNCEMENTS

## Change in Board's Staff

Mr. Dwight L. Allen, who for the past ten years has been a member of the Board's staff and has served as Director of the Division of Personnel Administration since June 1, 1951, is resigning effective June 30, 1954, to accept a position as Vice President of the Federal Reserve Bank of Cleveland.

## Appointments of Branch Directors

On June 2, 1954, the Federal Reserve Bank of San Francisco appointed Mr. S. B. Lafromboise, President, The First National Bank of Enumclaw, Enumclaw, Washington, as a director of the Seattle Branch for the term ending December 31, 1954. Mr. Lafromboise succeeded Mr. W. M. Jenkins, President, First National Bank of Everett, Everett, Washington, deceased.

On June 4, 1954, the Board of Governors announced the appointment of Mr. Theodore E. Fletcher, Sr., Senior Partner, Albert W. Sisk & Son, Preston, Maryland, as a director of the Baltimore Branch of the Federal Reserve Bank of Richmond for the term ending December 31, 1956. Mr. Fletcher succeeded Mr. James M. Shriver, President, The B. F. Shriver Company, Westminster, Maryland, whose term expired.

On June 10, 1954, the Federal Reserve Bank of Cleveland appointed Mr. John Christian Warner, President, Carnegie Institute of Technology, Pittsburgh, Pennsylvania, as a director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland for the term ending December 31, 1954. Mr. Warner succeeded Mr. Montfort Jones, Professor of Finance, The University of Pittsburgh, Pittsburgh, Pennsylvania, deceased.

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**Appointment of Class C Director**

On June 10, 1954, the Board of Governors announced the appointment of Mr. J. Stuart Russell, Farm Editor, Des Moines Register and Tribune, Des Moines, Iowa, as a Class C director of the Federal Reserve Bank of Chicago for the term ending December 31, 1956. Mr. Russell succeeded Mr. Allan B. Kline, President, American Farm Bureau Federation, Chicago, Illinois, whose term expired.

**Changes in Bulletin Tables**

A number of changes have been made in the content and arrangement of the BULLETIN tables dealing with international capital transactions of the United States and foreign gold reserves and dollar holdings, which appear on pages 656-661 of this issue.

The material now published in the section "International Capital Transactions of the United States" excludes the tables on cumulative net capital movement to the United States since 1935, supplementary country data on securities transactions, and brokerage balances (formerly tables 1, 6(a), and 8). Transactions in domestic and foreign securities are now shown in one table, and country data on foreign securities have been condensed. A table showing supplementary country data on short-term liabilities to foreigners for end-of-year dates, 1950-53, (table 1(d) on page 657) has been added.

Some of the changes in the tables have been necessitated by a recent revision of the Treasury Foreign Exchange Forms, from which most of the data in this section are compiled, and by revised instructions to the financial institutions that report on such forms. The main features of the revision of the reporting forms are (1) an increase in the amount of liabilities to or claims on foreigners that is exempt from reporting; (2) changes in the geographical classification of certain countries and accounts; and (3) discontinuance of a monthly series on brokerage balances.

Reporting institutions having total liabilities to or claims on foreigners of less than \$500,000 are now generally exempt from monthly reporting. The previous exemption was \$100,000. This change has resulted in the exclusion of relatively

small amounts; the totals excluded for March 31, 1954, are shown in footnotes to the appropriate tables.

Changes in the geographical classification of certain countries or accounts are as follows: The Bank for International Settlements, previously included in international institutions, is now included in foreign countries under "Europe—all other." The accounts of East Germany and the Soviet Sector of Berlin, previously included with Germany, are also included under "Europe—all other." Turkey is included in Europe, rather than in Asia, and the Republic of Korea is now reported separately from "Other Asia." In order to present consistent series of data, the published material for previous dates has been revised, insofar as possible, in accordance with the new classifications.

A new table "Estimated Gold Reserves and Dollar Holdings of Foreign Countries and International institutions" is published on page 661. The table shows end-of-quarter data on gold reserves of central banks, governments, and international institutions, plus official and private dollar holdings reported by banks in the United States.

**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period April 16, 1954 to May 15, 1954:

*Florida*

Miami—Metropolitan Bank of Miami

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ously reported are reasonably comparable with the changes reported this year.

Three other reporting changes were made this year. First, trust funds of banks and accounts of foreigners were combined in all Federal Reserve Districts except New York. In view of the importance of foreign deposits in the New York District, respondents there continued to report the two categories

separately. Second, insurance companies and all other financial businesses were combined into one financial business category. Third, the category previously entitled "all other nonfinancial business" was split into two categories, "construction" and "all other nonfinancial business," so that separate data could be obtained on the deposit balances of the construction industry.

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Federal Reserve Meetings

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on June 21 and 22, 1954, and on June 23 the Presidents met with the Board of Governors of the Federal Reserve System.

On June 23 a meeting of the Federal Open Market Committee was held.

Resignation of Branch Director

Effective June 30, 1954, the Board of Governors accepted the resignation of Mr. C. M. Hardin, Dean of Agriculture, Michigan State College, East Lansing, Michigan, as a director of the Detroit Branch of the Federal Reserve Bank of Chicago. Mr. Hardin had served the Branch as a director since April 7, 1953.

Deaths of Directors

Mr. Karl T. Compton, Chairman of the Corporation, Massachusetts Institute of Technology, Cambridge, Massachusetts, who had been serving as a

Class C director of the Federal Reserve Bank of Boston since February 2, 1951, died on June 22, 1954.

Mr. Ralph E. Plunkett, President, Plunkett-Jarrell Grocer Company, Little Rock, Arkansas, who had served as a Class B director of the Federal Reserve Bank of St. Louis since January 1, 1950, died on July 3, 1954.

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The only provision of Regulation F pertaining to this matter is the second sentence of the third paragraph of section 17(a), which provides that "No bank administering a Common Trust Fund shall issue any document evidencing a direct or indirect interest in such Common Trust Fund in any form which purports to be negotiable or assignable."

The purpose of this provision was to minimize the possibility of common trust funds being used as investment trusts, the shares of which ordinarily are negotiable or assignable, and to preclude any evidence of participation in such funds reaching the hands of the general public. It was not the intent of this provision to prohibit, in all instances,

inter-trust transfers of participations in a common trust fund.

The Board is of the opinion, therefore, that, in these two cases, the transfer of units in a common trust fund does not violate the spirit and purpose of the regulation and is not prohibited. However, it should be borne in mind that any trust which acquires, by inter-trust transfer, an investment in a common trust fund must be one created and used for bona fide fiduciary purposes.

The possible tax aspects of the cases submitted have not been explored, but it is assumed that a bank will take appropriate steps to satisfy itself that transactions of this kind would not be used to accomplish an improper avoidance of tax liability.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Appointments of Mr. Miller and Mr. Balderston as Members of the Board of Governors**

The appointments of Mr. Paul E. Miller, of Minnesota, and Mr. C. Canby Balderston, of Pennsylvania, as Members of the Board of Governors of the Federal Reserve System were confirmed by the Senate on August 3 and August 6, 1954, respectively. Mr. Miller qualified for office on August 13 at Minneapolis, and Mr. Balderston qualified at Philadelphia on August 12.

Mr. Miller was appointed for the term of fourteen years from February 1, 1954, to succeed Mr. R. M. Evans, whose term of office expired on January 31, 1954, and who under the terms of the law continued to serve until his successor was appointed and qualified.

Mr. Miller was born in Cedar Rapids, Iowa, on October 30, 1888, the son of Jacob Kurtz Miller and Ida Bluebaugh Miller. He married Miss Margaret Jones on June 23, 1914, and they have three sons. He received his B.S. degree from Iowa State College in 1911 and the degree M.S. in Agriculture in 1921. In 1951, he received the honorary degree of Doctor of Economic Science from the National University of Ireland.

Mr. Miller was an instructor of agronomy at the University of Minnesota West Central School of Agriculture and Experiment Station at Morris, Minnesota, from 1911 to 1917, and served as professor and superintendent from 1917 to 1938, at which

time he became Director of the University of Minnesota Agricultural Extension Division at St. Paul, the position he was occupying at the time of his appointment as a Member of the Board of Governors.

Mr. Miller is the author of numerous agricultural extension reports and has long been identified with public service, particularly with respect to agriculture, having served on a number of State and national boards and commissions. During 1950, he served as Agricultural Consultant to the Organization for European Economic Cooperation and, during 1950-51, he served in Dublin as Chief of the E.C.A. Special Mission to Ireland. Early in 1953, he went to Denmark as a member of the Mutual Security evaluation team.

At the time of Mr. Miller's appointment as a Member of the Board of Governors, he was serving as a member of the Board of Directors of the Seventh District, Farm Credit Administration, and, since January 1, 1946, had been serving as a Class C director of the Federal Reserve Bank of Minneapolis. He served as Deputy Chairman at the Federal Reserve Bank of Minneapolis from December 27, 1951, through December 31, 1953, when he was designated Chairman and Federal Reserve Agent.

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Mr. Balderston was appointed for the unexpired portion of the term of fourteen years from February 1, 1952. He succeeded Mr. Oliver S. Powell who

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resigned effective June 30, 1952, to accept appointment as President of the Federal Reserve Bank of Minneapolis.

Mr. Balderston was born at Kennett Square, Pennsylvania, on February 1, 1897, the son of John L. Balderston and Anna M. Balderston. On July 28, 1922, he married Miss Gertrude Emery (deceased) and they had two sons. On November 21, 1942, Mr. Balderston married Mrs. Ida Roberts Smedley. He attended Pennsylvania State College and received B.S. in Economics and Ph.D. degrees from the University of Pennsylvania.

Mr. Balderston served as Assistant Professor of Industry at the University of Pennsylvania from 1925 to 1931 and since that time has been serving as Professor. Since 1941, Mr. Balderston also has been the Dean of the Wharton School of Finance and Commerce of the University of Pennsylvania.

During 1942-45, Mr. Balderston served as Chief, War Department Wage Administration Agency and of the Wage Administration Section, Headquarters, Army Service Forces. When appointed to the Board of Governors, he was President of Leeds & Lippincott Co.; Trustee of Bryn Mawr College; Chairman of Board of the National Bureau of Economic Research; former president of the American Association of Collegiate Schools of Business; Chairman of the Investment Committee, Westtown School; member of the Board of Managers of Friends Hospital, Frankford; and a member of the American Management Association, American Economic Association, American Statistical Association, and the Society for the Advancement of Management. He is also the author of numerous publications relating to personnel, wages, management, and public relations.

From April 8, 1943, Mr. Balderston served as a Class C director of the Federal Reserve Bank of Philadelphia, and from March 18, 1949, as Deputy Chairman, until his services in these capacities terminated on December 31, 1953.

**Designation of Mr. Perrin as Chairman and Federal Reserve Agent**

On August 12, 1954, the Board of Governors announced the designation of Mr. Leslie N. Perrin, Consultant and member of Executive Committee, General Mills, Inc., Minneapolis, Minnesota, as Chairman and Federal Reserve Agent at the Federal Reserve Bank of Minneapolis, effective August 16, 1954, for the balance of 1954. Mr. Perrin, who had been serving as a Class C director and Deputy Chairman since January 1, 1954, succeeded Mr. Paul E. Miller, who resigned as Chairman and Federal Reserve Agent to become a Member of the Board of Governors of the Federal Reserve System.

**Complete List of All Members of the Board of Governors of the Federal Reserve System**

On pages 837-838 of this BULLETIN is a table which lists all members of the Board from the beginning of the Federal Reserve System, with information regarding the Federal Reserve districts from which they were appointed and their terms of office.

**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period June 16, 1954 to July 15, 1954:

*Michigan*

Metamora—Metamora State Savings Bank.

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System or any member of the Federal Deposit Insurance Corporation, trust company, or other banking organization, organized under any law of the United States, including the laws relating to the District of Columbia, shall be authorized to make payments to the Association of the non-refundable capital contributions referred to in subsection (b) of this section, to receive stock of the Association evidencing such capital contributions, and to hold or dispose of such stock, subject to the provisions of this title.

SEC. 309. \* \* \*

(d) The Chairman of the Board shall have power to select and appoint or employ such officers, attorneys, employees, and agents, to vest them with such powers and duties, and to fix and to cause the Association to pay such compensation to them for their services, as he may determine, subject to the civil service and classification laws. Bonds may be required for the faithful performance of their duties, and the Association may pay the premiums therefor. With the consent of any Government corporation or Federal Reserve bank, or of any board, commission, independent establishment, or executive department of the Government, the Association may avail itself on a reimbursable basis of the use of information, services, facilities, officers, and employees thereof, including any field service thereof, in carrying out the provisions of this title.

\* \* \* \* \*

(g) The Federal Reserve banks are authorized

and directed to act as depositaries, custodians, and fiscal agents for the Association in the general performance of its powers, and the Association shall reimburse such Federal Reserve banks for such services in such manner as may be agreed upon.

In addition, section 203 of the Housing Act of 1954 specifically amended the next to the last sentence of section 5136 of the Revised Statutes so as to permit national banks to deal in and underwrite obligations of the Federal National Mortgage Association. Subject, of course, to any applicable provision of State law, the provision also extends to State member banks of the Federal Reserve System as section 9 of the Federal Reserve Act makes this provision of section 5136 applicable to State member banks. The text of this amendment reads as follows:

SEC. 203. The penultimate sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is hereby amended by striking "or obligations of national mortgage associations" and inserting "or obligations of the Federal National Mortgage Association".

Another provision of the Housing Act of 1954 (section 603) provided for the establishment of a National Voluntary Mortgage Credit Extension Committee and directed the Housing and Home Finance Administrator to request the Board of Governors of the Federal Reserve System to designate a representative of the Board to serve on the Committee in an advisory capacity.

## CURRENT EVENTS AND ANNOUNCEMENTS

**Historical Supplement to Monthly Chart Book on Bank Credit, Money Rates, and Business**

The 1954 edition of the historical supplement to the monthly Federal Reserve Chart Book on Bank Credit, Money Rates, and Business will be available for distribution about the end of September, on the terms indicated on page 1030. As in the case of the October 1953 edition, a few new charts have been added and some others have been revised. All charts will include the latest data available on September 3, 1954.

**Death of Director**

Mr. James W. Collins, Chairman of the Board,

Tracy-Collins Trust Company, Salt Lake City, Utah, who had served as a director of the Salt Lake City Branch of the Federal Reserve Bank of San Francisco since January 1, 1953, died on August 14, 1954.

**Admission of State Bank to Membership in the Federal Reserve System**

The following State bank was admitted to membership in the Federal Reserve System during the period July 16, 1954 to August 15, 1954:

*Pennsylvania*

Pittsburgh—Fidelity Trust Company.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

The Federal Advisory Council held a meeting in Washington on September 19-21, 1954, and met with the Board of Governors of the Federal Reserve System on September 21.

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on September 20 and 21, and on September 22 the Presidents met with the Board of Governors of the Federal Reserve System.

On September 22 a meeting of the Federal Open Market Committee was held.

### Appointments of Branch Directors

On October 4, 1954, the Board of Governors of the Federal Reserve System announced the appointment of Mr. John A. Hannah, President, Michigan State College, East Lansing, Michigan, as a director of the Detroit Branch of the Federal Reserve Bank of Chicago for the term ending December 31, 1954. He succeeded Mr. C. M. Hardin, Dean of Agriculture, Michigan State College, East Lansing, Michigan, who resigned. Mr. Hannah formerly served as a director of the Detroit Branch from January 1, 1951 to March 13, 1953, when he resigned to become Assistant Secretary of Defense.

On October 6, 1954, the Federal Reserve Bank of San Francisco appointed Mr. R. S. Hanson, Vice

President and Cashier, The First National Bank of Logan, Logan, Utah, as a director of the Salt Lake City Branch of the Federal Reserve Bank of San Francisco for the term ending December 31, 1954. Mr. Hanson succeeded Mr. James W. Collins, Chairman of the Board, Tracy-Collins Trust Company, Salt Lake City, Utah, deceased.

### Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period August 16, 1954 to September 15, 1954:

#### *Virginia*

Richmond—The Bank of Virginia.

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### Federal Reserve Meetings

The Federal Advisory Council held a meeting in Washington on November 14-16, 1954, and met with the Board of Governors of the Federal Reserve System on November 16.

### Death of Member of the Board

The Board of Governors announces with profound regret the death on October 21, 1954, of Mr. Paul E. Miller, who had been a Member of the Board since August 13, 1954. At the time of his appointment, Mr. Miller was the Director of the University of Minnesota Agricultural Extension Division at St. Paul and had been serving as a Class C director of the Federal Reserve Bank of Minneapolis since January 1, 1946. He served as Deputy Chairman at the Federal Reserve Bank of Minneapolis from December 27, 1951 through December 31, 1953, when he was designated Chairman and Federal Reserve Agent.

### Death of Director

Mr. George H. Jackson, President, First National Bank in Spokane, Spokane, Washington, who had served as a director of the Seattle Branch of the Federal Reserve Bank of San Francisco since January 1, 1953, died on October 29, 1954.

### Transfer of Federal Reserve Branch Territory

Effective December 1, 1954, the territory of the Los Angeles Branch of the Federal Reserve Bank of San Francisco will be extended to include Kern, Mono, and San Luis Obispo counties in California and Clark County in Nevada. The three California counties are now served by the Head Office at San Francisco, and Clark County, Nevada, is served by the Salt Lake City Branch of the Bank.

### Changes in Bulletin Tables

The table "Commercial Paper and Bankers' Acceptances Outstanding," (page 1172) has been revised to incorporate data for finance paper placed directly. It gives data for total commercial and finance paper outstanding, with a breakdown by the method of placement.

The table "Open Market Money Rates in New York City" (page 1177) has been revised to include the rates on finance paper placed directly.

### Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period September 16, 1954 to October 15, 1954:

#### *Iowa*

Britt—First State Bank.

#### *New York*

Mattituck—The North Fork Bank and Trust Company.

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## CURRENT EVENTS AND ANNOUNCEMENTS

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### Federal Reserve Meetings

A meeting of the Chairmen and Deputy Chairmen of the Federal Reserve Banks with the members of the Board of Governors was held in Washington on December 2-3, 1954.

The Conference of Presidents of the Federal Reserve Banks met in Washington on December 6, 1954.

On December 7 a meeting of the Federal Open Market Committee was held.

### Changes in the Board's Staff

Mr. Edwin J. Johnson, who has been serving as Controller since August 1, 1953 was appointed Director of the Division of Personnel Administration, effective December 1, 1954. He will continue to serve also as Controller.

Mr. Johnson has been associated with the Federal Reserve System since 1925, except for a period of military service and a short period of service with the Treasury Department. He was appointed to the Board's staff in January 1939, after having been a member of the staff of the Baltimore Branch of the Federal Reserve Bank of Richmond for approximately fourteen years.

Mr. H. Franklin Sprecher, Jr. will be Assistant Director of the Division of Personnel Administration and in that capacity will have additional responsibilities.

Mr. Mortimer B. Daniels, who has been serving as Chief of the Reserve Bank Operations Section of the Division of Bank Operations since November 1949, was appointed Assistant Controller to assist in the supervision of the work of that office, effective December 1, 1954.

Mr. Daniels became associated with the Board of Governors as an Assistant Federal Reserve Examiner in the Division of Examinations in February 1934. On March 1, 1936, he transferred to the Division of Bank Operations as a Technical Assistant.

### Election of Class B Director

The Federal Reserve Bank of St. Louis on No-

vember 16, 1954, announced the election of Mr. S. J. Beauchamp, Jr., President, Terminal Warehouse Co., Little Rock, Arkansas, as a Class B director of the Bank for the term ending December 31, 1955. He succeeded Mr. Ralph E. Plunkett, President, Plunkett-Jarrell Grocer Co., Little Rock, Arkansas, deceased. Mr. Beauchamp had been serving as a director of the Little Rock Branch of the Federal Reserve Bank of St. Louis since January 1, 1950.

### Appointment of Branch Director

On December 15, 1954, the Board of Governors announced the appointment of Mr. A. Howard Stebbins, Jr., President, Stebbins and Roberts, Inc., Little Rock, Arkansas, as a director of the Little Rock Branch of the Federal Reserve Bank of St. Louis for the term ending December 31, 1955. Mr. Stebbins succeeded Mr. S. J. Beauchamp, President, Terminal Warehouse Company, Little Rock, Arkansas, who was elected a Class B director of the Federal Reserve Bank of St. Louis.

### Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period October 16, 1954 to November 15, 1954:

#### *California*

Los Angeles—Bank of Los Angeles, at Westwood (Westwood Village).

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