

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, June 24, 1948.

PRESENT: Mr. McCabe, Chairman  
 Mr. Eccles  
 Mr. Draper  
 Mr. Evans  
 Mr. Vardaman  
 Mr. Clayton

Mr. Carpenter, Secretary  
 Mr. Sherman, Assistant Secretary  
 Mr. Morrill, Special Adviser  
 Mr. Thurston, Assistant to the Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on June 23, 1948, were approved unanimously.

Letter to Mr. Wiltse, Vice President of the Federal Reserve Bank of New York, reading as follows:

"In accordance with the request contained in your letter of June 17, 1948, the Board approves the appointments of Frederick L. Frey, Joseph Garfinkel, John F. Pierce, and William E. Shackleton as examiners for the Federal Reserve Bank of New York; the appointments of Charles R. Dommeleers, Edward J. Hennessy, and Kenneth B. Mesler as assistant examiners; and the designation of James P. Mulvey as a special assistant examiner.

"Please advise us of the dates upon which the appointments are made effective."

Approved unanimously.

Letter to Mr. McConnell, Vice President of the Federal Reserve Bank of Minneapolis, reading as follows:

"Reference is made to Chief Examiner Tillander's letter of June 18, 1948, submitting a certified copy of a resolution adopted by the Board of Directors of the Belvidere State Bank, Belvidere, South Dakota, signifying its intention to withdraw from membership in the

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"Federal Reserve System and requesting waiver of six months' notice usually required.

"The Board of Governors waives the usual requirement of six months' notice, as requested. Accordingly, upon surrender of the Federal Reserve Bank stock issued to the Belvidere State Bank, Belvidere, South Dakota, the Federal Reserve Bank is authorized to cancel such stock and make appropriate refund thereon. It is noted that the bank has already opened negotiations with the District Office of the F.D.I.C. with respect to continuation of its insured status after withdrawal from membership. In the circumstances, the bank will have four months from the date of this letter to accomplish termination of its membership (F.R.L.S. #3548).

"Please advise the Board of Governors when cancellation is effected and refund is made. The Certificate of Membership issued to the bank should also be obtained, if possible, and forwarded to the Board. The State Banking Authorities should be advised of the bank's proposed withdrawal from membership and when it has been effected."

Approved unanimously.

Letter to Mr. DeMoss, Vice President of the Federal Reserve Bank of Dallas, reading as follows:

"The Board of Governors of the Federal Reserve System has considered the recommendation of the Executive Committee of your Bank contained in your letter of May 27, and, pursuant to the provisions of Section 19 of the Federal Reserve Act, grants permission to American National Bank of Oak Cliff, Dallas, Texas, to maintain the same reserves against deposits as are required to be maintained by banks located outside central reserve and reserve cities, effective with the first semi-monthly reserve computation period beginning after the date of this letter.

"Please advise the bank of the Board's action in this matter, calling its attention to the fact that such permission is subject to revocation by the Board of Governors of the Federal Reserve System."

Approved unanimously.

Letter to the Honorable Maple T. Harl, Chairman, Federal Deposit Insurance Corporation, reading as follows:

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"In accordance with the request contained in your letter of June 17, 1948, the Board of Governors of the Federal Reserve System hereby grants written consent, pursuant to the provisions of subsection (k)(2) of Section 12B of the Federal Reserve Act, for examiners for the Federal Deposit Insurance Corporation to make an examination of the Commercial State Bank of Melvin, Melvin, Illinois, in connection with its application for continuance of insurance after withdrawal from membership in the Federal Reserve System.

"There have been no corrective programs urged upon the bank or agreed to, which have not been fully consummated and in connection with which the Board would suggest incorporation of conditions for continuing its status as an insured bank."

Approved unanimously.

Letter to the Honorable Maple T. Harl, Chairman, Federal Deposit Insurance Corporation, reading as follows:

"The Board has received a request for a ruling on the question whether Staunton Industrial Loan Corporation, Staunton, Virginia, a corporation organized under the general laws of Virginia relating to industrial loan associations, is eligible for membership in the Federal Reserve System.

"Staunton Industrial Loan Corporation is an uninsured institution, and if it were admitted to membership in the Federal Reserve System the Board would be required by Section 12B of the Federal Reserve Act to certify to your Corporation that it had considered, among other factors, whether or not the institution's corporate powers are consistent with the purposes of section 12B. The Board feels that there is some question as to whether the corporate powers of this institution are consistent with the purposes of section 12B and in giving consideration to this question feels that it would be helpful to have the views of your Corporation. In this connection, we understand that this matter has had some informal consideration by representatives of your Corporation.

"We are enclosing for your information a copy of the certificate of incorporation of Staunton Industrial Loan Corporation, the institution's statement of condition as of March 31, 1948, and a statement containing information


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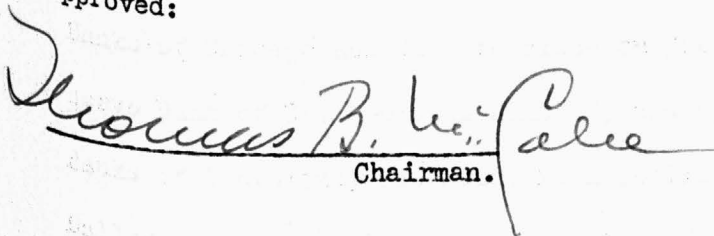
"furnished by the Federal Reserve Bank of Richmond. We are not enclosing copies of the institution's certificates of investment and investment account passbooks, but it may be stated that they are comparable to certificates of deposit and savings account passbooks used by banks. It is our understanding that there has been no significant change in the nature of the business of Staunton Industrial Loan Corporation as described in some detail in the opinion of the United States Circuit Court of Appeals in the case of Staunton Industrial Loan Corporation v Commissioner of Internal Revenue, 120 F. (2d) 930, holding that the institution was a bank within the meaning of certain provisions of the Internal Revenue Code.

"We will be glad to have any views of your Corporation concerning this matter that you may care to furnish us."

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.