

11/12/48 Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, July 12, 1948.

PRESENT: Mr. Szymczak
Mr. Evans
Mr. Vardaman
Mr. Clayton

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Thurston, Assistant to the Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on July 9, 1948, were approved unanimously.

Memorandum dated July 9, 1948, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the resignation of John B. Churchill, a research assistant in that Division, be accepted to be effective, in accordance with his request, at the close of business July 12, 1948, with the understanding that a lump sum payment would be made for annual leave remaining to his credit as of that date.

Approved unanimously.

Letter to the board of directors of the "Northern Neck State Bank, Incorporated", Warsaw, Virginia, stating that, subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System, and for the appropriate amount of stock in the Federal Reserve Bank

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of Richmond. The letter also contained the following additional statement:

"It appears that the bank possesses certain powers which are not being exercised and are not necessarily required in the conduct of a banking business, such as the power to guarantee the payment of bonds. Attention is invited to the fact that if the bank desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board of Governors before exercising them. In this connection, the Board understands that there has been no change in the scope of the corporate powers exercised by the bank since the date of its application for membership."

Approved unanimously, together with a letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the Northern Neck State Bank, Incorporated, Warsaw, Virginia, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the board of directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Commissioner of Banking for the Commonwealth of Virginia, for his information.

"The relatively small amount of losses estimated in the report of examination for membership was to be eliminated at the close of the bank's accounting period on June 30, 1948, and it is assumed that proper provision therefor was made at that time. It is assumed also that you will follow the matter of the bank's bringing into conformity with the provisions of law and the Board's regulations the time deposit mentioned on page 16 of the report."

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

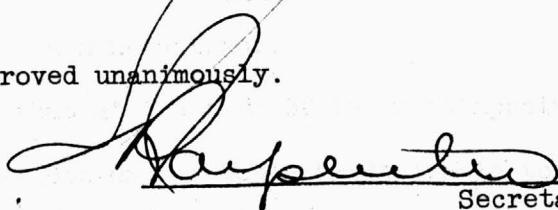
"Relet June 30. In view your recommendation Board approves establishment and operation of a branch in Fairfield, California, by American Trust Company, San Francisco, California, provided purchase of assets and assumption of deposit liabilities of Solano County Bank is effected substantially as proposed, branch is established within six months from June 29, 1948, as required by State authorities, and with understanding that Counsel for Reserve Bank will review and satisfy himself as to legality of all steps taken to effect absorption and establish branch.

"In passing upon this application the Board has taken into consideration your comments re substantial capital increase which the trust company expects to accomplish this year and program for further capital increase."

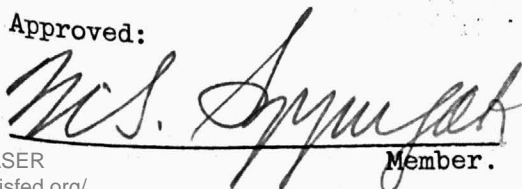
Approved unanimously.

Memorandum dated July 6, 1948, from Mr. Thomas, Director of the Division of Research and Statistics, recommending, for the reasons stated in the memorandum, that the Board authorize negotiations with the Survey Research Center of the University of Michigan for a fourth nation-wide survey of consumer finances to be conducted in January and February 1949. The memorandum recommended an appropriation of \$138,000 to cover the cost of the proposed survey.

Approved unanimously.


Secretary.

Approved:


Member.