Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, August 9, 1950.

PRESENT: Mr. Evans, Chairman pro tem.
Mr. Vardaman

Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary

Memorandum dated August 7, 1950, from Mr. Marget, Director of the Division of International Finance, recommending that the resignation of Mrs. Alice L. Tallent, a clerk-stenographer in that Division, be accepted to be effective, in accordance with her request, August 20, 1950.

Approved unanimously.

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

> "In accordance with the request contained in your letter of August 4, 1950, the Board approves the designation of Frederick Lamont Carr as a special assistant examiner for the Federal Reserve Bank of Richmond."

Approved unanimously.

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

> "In accordance with the request contained in your letter of August 3, 1950, the Board approves the appointment of William C. Gronert, Jr. as an examiner for the Federal Reserve Bank of Chicago. Please advise us of the date upon which the appointment is made effective."

Approved unanimously.

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Letter to Mr. Leedy, President of the Federal Reserve Bank of Kansas City, reading as follows:

"The Board of Governors approves for the period August 1, 1950, through May 31, 1951, the payment of salary to Mr. Clarence W. Tow as Director of Research at the rate of $10,000 per annum which is the rate fixed by the Board of Directors as indicated in your letter of August 3, 1950."

Approved unanimously.

Telegram to Mr. Stetzelberger, Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"Reurtel August 9. In view your recommendation Board extends to August 29, 1950, the time within which 'The Ottoville Bank Company', Ottoville, Ohio, may accomplish membership."

Approved unanimously.

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

"Reference is made to your letter of July 26, 1950, submitting the request of the 'Riverside Trust Company', Hartford, Connecticut, for approval of the establishment of a branch in Portland, Connecticut, in connection with the absorption through merger of The Portland Trust Company, Portland, Connecticut.

"In view of your recommendation, the Board of Governors approves the establishment and operation of a branch in Portland, Connecticut, by the Riverside Trust Company, Hartford, Connecticut, provided the proposed merger with The Portland Trust Company, Portland, Connecticut, including the increase of capital stock to $500,000, is effected substantially in accordance with the plan submitted and the prior approval of the appropriate State authorities is obtained; and

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"with the understanding that counsel for the Reserve Bank will review and satisfy himself as to the legality of the steps taken to effect the merger and establishment of the branch."

Approved unanimously.

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

"Enclosed is a photostatic copy of the report of condition as of June 30, 1950, submitted by Bank of America, New York, New York, in response to the call made by the Board. It is thought that you may be interested in seeing the report made at the end of the first period of actual operations of the bank.

"It is assumed that reports of examination of Bank of America National Trust and Savings Association, San Francisco, will supply you from time to time with such data regarding its subsidiary as you may require for your purposes. However, the Board will be glad to furnish you upon request photostatic reproductions of future call reports of condition, customarily submitted as of June 30 and December 31 of each year, should you deem it desirable to have them."

Approved unanimously.

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

"In view of resumption of business August 7 by the 22 banks whose business was acquired on June 24 by Bank of America, N. T. & S. A., and cessation of operations by the 27 branches opened on June 26, it seems desirable to FDIC, Comptroller of the Currency, and Board, that banking statistics for period June 25 to August 6 inclusive be on substantially the same basis, so far as practicable, as if the banks had continued in operation without interruption.

"We understand that FDIC has been advised by Mr. Birdzell that Transamerica and Bank of America are willing to cooperate to this end and to arrange for submission

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"of June 30, 1950 call reports and certified statements of deposits for six months ended June 30 covering all 22 acquired banks. We also understand that FDIC will request reports on this basis for statistical purposes, and that Comptroller will request call and earnings reports of the 13 acquired national banks on this basis, but publication of the call reports will not be required. FDIC and Comptroller's office will also request Schedules A.3 on real estate financing. On the basis of these reports and of corresponding reports of State member banks, appropriate adjustments will be made by Comptroller's office in reports already received from Bank of America so as to exclude the assets and liabilities of the 27 branches opened June 26.

"In the circumstances please obtain for statistical purposes, June 30, 1950 call and earnings reports from the three State member banks on the same basis, including Schedule A.3, with no requirement for publication. Please also obtain, if you deem practicable and desirable, revised weekly and semi-monthly reports of deposits covering period June 25 to August 6, and submit resulting revised reports to Board on forms F.R. 413 and, if necessary, on forms F.R. 422 and 635. For your information, our underlying banking structure records will show the acquisitions and restorations, but the statistics of number of banks and branches and of changes in status of banks and branches will be compiled as though the acquisitions and openings of branches had not occurred."

Approved unanimously.

Assistant Secretary.

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