

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, September 19, 1952.

PRESENT: Mr. Martin, Chairman
 Mr. Evans
 Mr. Vardaman
 Mr. Robertson

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on September 18, 1952, were approved unanimously.

Telegrams to the Federal Reserve Banks of Boston, New York, Philadelphia, Chicago, St. Louis, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Banks of Boston and St. Louis on September 15, by the Federal Reserve Bank of San Francisco on September 16, and by the Federal Reserve Banks of New York, Philadelphia, and Chicago on September 18, 1952, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to Mr. Clarke, Secretary, Federal Reserve Bank of New York, reading as follows:

"Thank you for your letter of September 2, 1952, with reference to Mr. Philip J. Glaessner, an economist in the Research Department of your Bank,

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"who had been granted one year's leave of absence without pay from about August 15, 1951, to become Economic Officer on the permanent Brazil-United States Commission for Economic Development. It is noted from your letter that, since it now appears that additional time will be necessary to enable Mr. Glaessner to finish his assignment in Brazil, he has been granted a six months' extension of this leave.

"In the circumstances, the Board of Governors interposes no objection to the extension of leave granted Mr. Glaessner."

Approved unanimously.

Letter to the Federal Deposit Insurance Corporation,
Washington, D. C., reading as follows:

"Pursuant to the provisions of section 4(b) of the Federal Deposit Insurance Act, the Board of Governors of the Federal Reserve System hereby certifies that the Rapid City Trust Company, Rapid City, South Dakota, became a member of the Federal Reserve System on September 15, 1952, and is now a member of the System. The Board of Governors of the Federal Reserve System further hereby certifies that, in connection with the admission of such bank to membership in the Federal Reserve System, consideration was given to the following factors enumerated in section 6 of the Federal Deposit Insurance Act:

1. The financial history and condition of the bank,
2. The adequacy of its capital structure,
3. Its future earnings prospects,
4. The general character of its management,
5. The convenience and needs of the community to be served by the bank, and
6. Whether or not its corporate powers are consistent with the purposes of the Federal Deposit Insurance Act."

Approved unanimously.

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

"In view of the recommendation contained in your letter of September 10, 1952, the Board of Governors extends to February 1, 1953, the time within which The Commercial Banking & Trust Company, Wooster, Ohio, may accomplish withdrawal of membership pursuant to the waiver granted by the Board on May 21, 1952.

"In this connection your attention is called to section 10(c) of Regulation H, as amended, effective September 1, 1952, which now allows a State member bank eight months after notice of intention to withdraw in which to effect such withdrawal, regardless of whether the Board has waived the six months' notice required by statute for immediate withdrawal."

Approved unanimously.

Letter to Mr. Robert J. Kiesling, President, Camden Trust Company, Camden, New Jersey, reading as follows:

"Reference is made to your letter of September 5, 1952, requesting an opportunity to discuss the conditions imposed in connection with the consent of the Board of Governors pursuant to the provisions of section 18(c) of the Federal Deposit Insurance Act to the absorption of The Citizens National Bank of Collingswood by the Camden Trust Company, and approval of the establishment of a branch in Collingswood, New Jersey, by the Camden Trust Company.

"It is noted that necessary action to comply with the conditions under which the consent and the approval of the Board were granted was not taken at the time the transactions were effected and immediate compliance is requested.

"Governor Robertson will be glad to discuss the matter with you. Please advise as to when you would like to have the discussion with a view to fixing a mutually satisfactory date and hour."

Approved unanimously, with a copy to Mr. Hill, Vice President, Federal Reserve Bank of Philadelphia.

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Letter to the Board of Directors, Security Trust Company,
Wilmington, Delaware, reading as follows:

"Pursuant to proposal submitted through the Federal Reserve Bank of Philadelphia, the Board of Governors hereby gives its consent to the proposed merger of your institution and Equitable Trust Company, Wilmington, Delaware, under your charter and with change in corporate title to Equitable Security Trust Company as required under Section 18(c) of the Federal Deposit Insurance Act.

"The Board also approves the establishment of a branch of Equitable Security Trust Company at Sixth and Market Streets, Wilmington, Delaware.

"The consent and approval contained herein are given provided the merger is effected substantially in accordance with the plans submitted and prior formal approval of the appropriate State authorities is obtained."

Approved unanimously, for
transmittal through the Federal
Reserve Bank of Philadelphia, with
a letter to Mr. Hill, Vice President
of the Reserve Bank containing the
following paragraph:

"Permission of the Board is not required for the continued operation of the branches of Equitable Trust Company including the branch in the Wilmington Merchandise Mart which has not yet commenced operations."

Letter to the Board of Directors, Monterey County Trust &
Savings Bank, Salinas, California, reading as follows:

"Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors of the Federal Reserve System approves the establishment and operation of a branch on South Main Street, Salinas, California, to be known as the Valley

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"Center Office, by Monterey County Trust & Savings Bank, Salinas, California, provided the branch is established within six months of the date of this letter."

Approved unanimously, for transmittal through the Federal Reserve Bank of San Francisco, with a letter to Mr. Slade, Vice President of the Reserve Bank, containing the following paragraph:

"The arguments of the State banking authorities against the necessity for the Board's approval of this branch have been noted. Regardless of their merit, such approval is believed necessary to obviate any doubt as to the legality of the operation of the branch under Federal law."

Telegram to Mr. Davis, Assistant Vice President, Federal Reserve Bank of New York, reading as follows:

"Your wire September 18 regarding loans on gold to Banque Centrale de la Republique de Turquie.

"Board approves proposal that the loan of \$7,000,000 maturing on September 29, 1952 be extended to December 29, 1952.

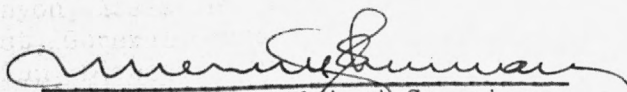
"Board also approves granting of new loan of \$8,000,000 for a period of three months on the following terms and conditions:

- A. Such loan to be made up to 98 per cent of the value of gold bars set aside in your vaults under pledge to you;
- B. Such loan to run for three months but may be repaid at any time before maturity;
- C. Such loan to be made on or before October 1, 1952;
- D. Such loan to bear interest from the date loan is made until paid at the discount rate of your Bank in effect on the date on which loan is made.

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"It is understood that the usual participation will be offered to the other Federal Reserve Banks."

Approved unanimously.


Assistant Secretary.